

TERRA ENERGY RESOURCES, LTD.

QUARTERLY REPORT
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2014

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1. Name of the issuer and its predecessors, if any.

Terra Energy Resources, Ltd.
Ding Dong School, Ltd
Terra Media, Ltd

2. Address of the issuer's principal executive offices.

Company Headquarters

222 Bay 14th Street
2F
Brooklyn, New York 11214
Telephone: (914) 458-2995

IR contact

3. Security Information

Trading Symbol: TRRE

Exact title and class of securities outstanding:

Common

Preferred

Common

CUSIP: 88101 J101

Par or stated value: \$0.001

Total shares authorized: 500,000,000 as of Sept. 30, 2014

Total shares issued and outstanding: 484,270,612 as of Sept 30, 2014

Total Unrestricted 117,697,300 as of Sept 30, 2014

Number of Shareholders: 168

Beneficial Owners: 8

Preferred

Trading Symbol: None

CUSIP No.: None

Total shares authorized: 5,000,000 as of September 30, 2014

Total shares issued and outstanding: 0 as September 30, 2014

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Transfer Agent

Island Stock Transfer

15500 Roosevelt Blvd.

Suite 301

Clearwater, FL 33760

E-mail: info@islandstocktransfer.com

Website: www.islandstocktransfer.com

Phone: (727) 289-0010

Fax: (727) 289 - 0069

Is the Transfer Agent registered under the Exchange Act: Yes No.

Restrictions on the transfer of security:

376,573,312 of 484,270,612 common shares are subject to Rule 144 restrictions.

Trading Suspensions:

None

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4. Issuance History

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The Company did not issue any new shares of its common or preferred shares during the period ended September 30, 2014; June 30, 2014 and March 31, 2014. The table below sets forth prior issuance for year ended December 31, 2013

		A	B	C	D	E	F	G	H
Date	Entity/Name of Control	Nature of Offering	Jurisd.	Shares Offered	Shares Sold	Price Offered	Price Sold	Trading Status	Legend
11/8/2013	Shun Fun Trade King, LTD./ Lee Chen	Acquisition	Hong Kong	40,000,000	40,000,000	0.0240	0.0240	Restricted	Rule 144
11/8/2013	Rajinder Sing Billing	Services	United Kingdom	250,000	250,000	0.0240	0.0240	Restricted	Rule 144
11/8/2013	Sharp Fortune International HK, Ltd/Alan Law	Acquisition	Hong Kong	80,000,000	80,000,000	0.0240	0.0240	Restricted	Rule 144
11/8/2013	Leeside Mayfair Inc/ Frank Johnson	Debt Conversion	USA	20,000,000	20,000,000	0.0010	0.0010	Free Trading	
11/8/2013	Prime Franchise Inc./Gus Juneau	Debt Conversion	USA	10,000,000	10,000,000	0.0010	0.0010	Free Trading	
11/8/2013	Fairchild Trading/ David Frankel	Debt Conversion	USA	13,000,000	13,000,000	0.0010	0.0010	Free Trading	
11/8/2013	Arthur Caponegro	Debt Conversion	USA	10,000,000	10,000,000	0.0010	0.0010	Free Trading	
9/23/2012	Jerry Rans	Services	USA	150,000	150,000	0.0131	0.0131	Restricted	Rule 144
9/23/2013	Allton Peterson	Services	USA	175,000	175,000	0.0131	0.0131	Restricted	Rule 144
9/23/2013	Rajinder Sing Billing	Services	United Kingdom	30,000	30,000	0.0131	0.0131	Restricted	Rule 144
7/2/2013	Finch & Burns Ltd./Jun Bin Liang	Acquisition	Canada	31,147,000	31,147,000	0.015	0.015	Restricted	Rule 144
7/1/2013	Energy Recyclers, Inc/Esteban Francisco	Acquisition	Chile	45,000,000	45,000,000	0.015	0.015	Restricted	Rule 144
7/1/2013	Paseo Limitada/ Guillermo Hernandez	Acquisition	Mexico	40,000,000	40,000,000	0.015	0.015	Restricted	Rule 144

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7/1/2013	Samson Edwards/ Gian Franco Passelli	Acquisition	USA	25,000,000	25,000,000	0.015	0.015	Restricted	Rule 144
7/1/2013	Iguana Industries/ Elena Maria Lesnerala	Acquisition	USA	73,000,000	73,000,000	0.015	0.015	Restricted	Rule 144

5. Financial Statements

The Issuer is providing financial statements for the most recent period ending December 31, 2013 and the most recent fiscal year ending December 31, 2013, and the fiscal year ended December 31, 2012.

- A. Balance Sheet*
- B. Statement of Operations*
- C. Statement of Cash Flows; and*
- D. Financial Notes*

These unaudited financial statements are incorporated by reference herein and attached as Exhibit 1.

The financial statements have been retroactively adjusted to account for the reverse split April 2013.

6. Issuer’s Business, Products and Services.

Business operations:

Terra Energy Resources, Ltd., is engaged in the process of polymer based recycling and reformation. The Company operates a 25,000 square foot processing facility whereby it reduces and re-circulates oil based polymer compounds back to useable functioning process streams, thereby diverting oil based compounds from waste streams and contaminations. The Company produces a variety of different oil based polymer materials that are sent back to manufacturers for re-use. The Company produces on-going back-end services and support and recycling to a New York Stock Exchange listed company.

Date; State; and Jurisdiction of Incorporation:

On August 14, 2013, the company re-domiciled to Wyoming.

Delaware, February 2008. Prior to domesticating in the State of Delaware, the Company originally incorporated in the jurisdiction of New Jersey in April 2004.

Issuer’s Primary and Secondary SIC Codes;

3081– Miscellaneous Plastics

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5162- Plastic materials and basic forms

Issuer's Fiscal Year's End Date:

December 31

Principal Products or services, and their markets.

Plastic recycling is the process of recovering scrap or waste polymer compounds and reprocessing the material into useful products, sometimes completely different in form from their original state. Plastics are also recycled/reprocessed during the manufacturing process of plastic goods. Recycled plastics are used by a myriad of industries, including, but not limited to, the food industry, maritime, auto, construction

A new study from a Cleveland-based industry market research firm forecasts that the US demand for recycled plastics will increase by 6.5% per year and reach 3.5 billion pounds by 2016. Demand is being driven by a number of factors, including a growing emphasis on sustainability among packaging and consumer product manufacturers, advancements in processing and sorting technologies allowing a wider variety of plastic to be recycled into high quality resins, and an improved collection infrastructure which raises the plastic recycling rate.

Continued support by federal, state, and local governments for recycling efforts will also provide a significant boost to recycled plastic collection, processing, and demand. Packaging continues to be the leading market for recycled plastic. Bottles will remain the leading source of plastic for recycling, accounting for over half of all plastic collected.

The Market:

As the national economy sputtered in recent years, the total amount of trash produced by Americans fell alongside consumption. During that same period, however, recycling totals actually climbed slowly, according to recent figures from the U.S. Environmental Protection Agency.

The EPA's report, "Municipal Solid Waste in the United States: 2011 Facts and Figures," shows that 66.2 million tons of MSW were recovered for recycling in 2011, the most recent year for which EPA-generated stats are available. That's an increase of 1.24 million tons compared with the total from 2010 and an increase of 3 million tons from 2007. Overall MSW generation by Americans in 2011, meanwhile, was 250.42 million tons, down slightly from 250.5 million tons generated in 2010 and the 256.5 million tons generated in 2007.

In short, from 2007 to 2011, as the country's total MSW generation slid by 2.4 percent, the nation's total recycling haul went up by 5 percent.

According to the EPA report, paper and paperboard continue to be far and away the materials most recycled within the U.S. MSW stream. In 2011, 45.9 million tons of paper and paperboard were recovered

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through recycling – that number represents nearly 66 percent of the total weight of paper and paperboard waste generated by Americans. Metals were the next most recycled material with 7.51 million tons (or 34.2 percent) of steel, aluminum and other nonferrous metals being recovered.

The EPA defines MSW as "everyday items," including product packaging, grass clippings, furniture, bottles, food scraps, newspapers and appliances and does not include construction or demolition waste, which can help explain the low tonnage of the metals portion of the MSW stream.

On the plastics front, Americans generated 31.84 tons of plastics in their MSW streams in 2011, and of that, 2.65 million tons (or 8.3 percent) was recovered through recycling. The plastics numbers saw tiny upticks from 2010 to 2011. In the 2010 report, overall generation of the material was 31.04 million tons, and the recycling rate was 8.2 percent.

The agency's report shows that total MSW generation was 4.4 pounds per person, per day (a 6 percent decrease from 2007), and the recycling rate was 1.53 pounds per person, per day – in 2007, that figure was 1.54 pounds.

Overall gains in recycling numbers have in the past decade begun to level off as collection programs and consumer awareness become more well established in municipalities across the country.

"There may be varying reasons why there has been a plateau, from limited expansion, enhancement of recycling infrastructure and programs to limited resources," the EPA said in a statement to *Plastics Recycling Update*. "This is why EPA has been focusing our attention on sustainable materials management, which encourages the use and reuse of materials in the most productive and sustainable way across their entire life cycle."

The 2013 National Postconsumer Non-Bottle Rigid Plastic Recycling Report has been released by the Plastics Recycling Conference on behalf of the American Chemistry Council (ACC). The report found that 61 percent of rigid plastics collected in the U.S. were recycled in Canada or the United States, which is a drastic change from previous years. The large number of recycling is due in part to the recent increase in communities that collect many types of rigid plastics, along with their bottle collections. In the newest consumer access report, *Plastic Recycling Collection: National Reach Study, 2012 Update*, it was found that more than 1,400 cities and 200 counties in the U.S. collect all rigid plastic containers.

According to some estimates, plastics make up about 10% of the waste stream in the United States. Most plastics are made using natural gas or some other kind of petrochemical product, so the more plastic is used, the more petroleum products are needed -- and the environmental impacts of the petrochemical industry have been well documented.

7. Describe the Issuer's Facilities.

The Company is provided with office space at its New York address within the office space of one of its principal shareholders at no cost. It has a 25,000 square foot facility located in the province of Ontario, Canada, where it maintains its recycling operations.

8. Officers, Directors, and Control Persons

Names of Officers and Directors:

Chair of Board of Directors/President/Secretary/ Treasurer: Rodrigo Von Unger, 38

Beneficial Ownership: 31, 147,000 shares

Compensation: 2,000,000 shares annually

Control Persons:

Mr. Von Unger is a native of Chile and has spent experience as an entrepreneur and venture capitalist throughout Latin America. He has managed large projects for both national and multi-national corporations throughout Mexico and Chile. He accustomed to working with and has been responsible for large budgets, executing multi-million dollar strategies in the food and pharmaceutical industries. He is a graduate of Hult International School of Business with an MBA in Corporate Finance.

Name - 33, Karthik Shetty, Treasurer

Mr. Shetty is a native of Bangalore India, and has spent the past seven years involved in the construction and development of recycling systems in China and India.

Legal/Disciplinary History:

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 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 or suspended or otherwise limited such person's involvement in any type of business or securities activities.

NONE

Beneficial Shareholders

The table below sets forth the ownership of 5% or more of common voting stock:

Name and address of Beneficial Owner	Number of Shares Owned	Title or Position	Percent of Ownership
Rodrigo Von Unger 222 Bay 14 Street, 2F, Brooklyn, NY 11214	2,000,000	President/Director	0.41%
Total Directors and Officers	2,000,000		0.41%
Energy Recyclers, Inc. Cordoba #43 Avenida De Estrellas Santiago	45,000,000	Esteban Francisco	9.29%
Paseo Limitada Calle Francisco Limon Barranquilla	40,000,000	Guillermo Hernandez	8.26%
Samson Edwards 4903 Via de Vente Rome, Italy	25,000,000	Gian Franco Passelli	5.16%
Finch & Burns 85 Rogers Lane Mexico City, Mexico	31,147,000	Jun Bin Liang	6.43%
Shun Fun Trade King Ltd 12 BOWEN LUE SUITE 2B, MIDLEVELS	40,000,000	Lee Chen	8.26%

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Sharp Fortune International (HK) Ltd 48-52 DOEUS VOEUX ROAD, HONG KONG	80,000,000	Alan Law	16.52%
Iguana Industries Calle Ocho y Avenida 13 Pasei Colon #472 Santo Domingo, DR	73,000,000	Elena Maria Lesnerala	15.07%
Total Beneficial Owners	334,147,000		69.00%
Total Officers & Directors and Beneficial Owners	336,147,000	8	69.41%

9. Third Party Providers

Legal Counsel:

Law Office of David Price

13520 Oriental St.
Rockville, MD, 20853
United States

(202) 536-5191

Email: david@toptierstrategies.eu

Accountant

Executive Support and Services Group, Corp.

43855 W. Elizabeth Ave

Maricopa, AZ 85138

Telephone: (347) 713-1075

Fax: (347) 710-1183

E-mail: andre@essgcorp.net

Investor Relations Advisor

None

Other Advisor

Edward J da Parma, Esq.

Executive Support and Services Group, Corp.

43855 W. Elizabeth Ave

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Maricopa, AZ 85138
Telephone: (520) 450-0812
Fax: (347) 710-1183
E-mail: edaparma@essgcorp.net

10. Issuer Certification.

I, Rodrigo Von Unger, certify that:

1. I have reviewed this Quarterly Interim Disclosure Statement of Terra Energy Resources, Ltd., for the period ended September 30, 2014;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of 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 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 aspects the financial condition, results of operations and cash flows of the issuer as of and for the periods presented in the disclosure statement.

Dated: New York, New York
October 29, 2014

/s/ Rodrigo Von Unger
Rodrigo Von Unger, Principal Officer

EXHIBIT I – UNAUDITED FINANCIAL STATEMENTS.

Executive Support & Services Group, Corp.

43855 West Elizabeth Ave.

Maricopa, Arizona 85138

Telephone (520) 450-0812

We have compiled the accompanying balance sheets of Terra Energy Resources, Ltd, the period including the three (3) and nine (9) months ended September 30, 2014 and the year ended December 31, 2013, respectively; and the related statements of income and cash flows for these periods then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Executive Support and Services Group, Corp. is a business services firm consisting of attorneys, accountants and CPA's engaged in providing companies with accounting, tax, compliance and management consulting, with offices in Arizona and New York. The Company's accounting personnel are supervised by Andre da Parma, CPA, whose license is current in the State of New York.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

/s/ Edward J. da Parma
Edward J. da Parma, President

TERRA RESOURCES, LTD

UNAUDITED CONSOLIDATED BALANCE SHEETS

	For the nine months ended 30-Sep-2014 <i>Unaudited</i>	For the six months ended 30-Jun-2014 <i>[Unaudited]</i>	For the three months ended March 31, 2014 <i>[Unaudited]</i>	For the year ended December 31, 2013 <i>[Unaudited]</i>
ASSETS				
Current Assets				
Cash	\$ 125,324	\$ 116,380	\$ 238,559	\$ 23,479
Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>125,324</u>	<u>116,380</u>	<u>238,559</u>	<u>23,479</u>
Fixed Assets				
Equipment	62,943	64,048	65,153	66,257
Other Assets				
Goodwill, net of depreciation	<u>124,819</u>	<u>131,170</u>	<u>137,521</u>	<u>143,872</u>
Total fixed and other assets	<u>187,762</u>	<u>195,218</u>	<u>202,674</u>	<u>210,129</u>
TOTAL ASSETS	<u>\$ 313,086</u>	<u>\$ 311,598</u>	<u>\$ 441,233</u>	<u>\$ 233,608</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued expenses	\$ 3,926	\$ 3,915	\$ 6,088	\$ 4,894
Note payable - officer	30,909	30,909	30,909	30,949
Notes payable	221,069	220,969	220,969	223,719
Accrued interest	<u>215,454</u>	<u>211,498</u>	<u>207,542</u>	<u>203,588</u>
Total current liabilities	<u>471,358</u>	<u>467,291</u>	<u>465,508</u>	<u>463,150</u>
SHAREHOLDERS' EQUITY				
Preferred Stock; par value \$0.001; authorized 5,000,000 shares; 0 issued and outstanding December 31, 2013 and 2012				
Common Stock; par value \$0.001; 500,000,000 shares authorized; 484,270,612 shares issued and outstanding and 96,519,000 shares as of Sept 30, 2014 and December 31, 2013; respectively	484,270	484,270	484,270	484,270
Additional paid-in capital	2,639,309	2,639,309	2,639,309	2,639,309
Accumulated deficit during developmental stage	(3,281,851)	(3,279,272)	(3,147,854)	(3,189,853)
Other comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,268)</u>
Total shareholders' equity	<u>(158,272)</u>	<u>(155,693)</u>	<u>(24,275)</u>	<u>(229,542)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 313,086</u>	<u>\$ 311,598</u>	<u>\$ 441,233</u>	<u>\$ 233,608</u>

The accompanying notes are an integral part of the financial statements.

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TERRA ENERGY RESOURCES, LTD.
UNAUDITED STATEMENTS OF OPERATIONS

	For the three months ended 30-Sep-2014 <i>[Unaudited]</i>	For the six months ended June 30, 2014 <i>[Unaudited]</i>	For the nine months ended 30-Sep- 2014 <i>[Unaudited]</i>	For the year ended 31- Dec-2013
REVENUES				
Sales	\$ 65,374	\$ 864,272	\$ 929,646	\$ 211,500
Cost of goods sold	<u>36,000</u>	<u>572,286</u>	<u>608,286</u>	<u>102,411</u>
Gross revenues	<u>\$ 29,374</u>	<u>\$ 291,986</u>	<u>\$ 321,360</u>	<u>109,089</u>
OPERATING EXPENSES				
General and administrative	20,536	160,235	180,771	2,030,566
Depreciation	<u>7,456</u>	<u>14,168</u>	<u>21,624</u>	<u>209,377</u>
Total operating expenses	<u>27,992</u>	<u>174,403</u>	<u>202,395</u>	<u>2,239,943</u>
Gross operating revenues	<u>1,382</u>	<u>117,583</u>	<u>118,965</u>	<u>(2,130,854)</u>
OTHER INCOME AND EXPENSES				
Interest expense	(3,956)	(7,910)	(11,866)	(22,135)
Equipment expense	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(8,742)</u>
Total other income (expense)	<u>(3,956)</u>	<u>(42,910)</u>	<u>(46,866)</u>	<u>(30,877)</u>
Net profit (loss)	<u>(2,574)</u>	<u>74,673</u>	<u>72,099</u>	<u>(2,161,731)</u>
OTHER COMPREHENSIVE LOSS				
Currency exchange	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,283)</u>
Total comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,283)</u>
Net loss per share, basic and diluted	\$ (0.00)	\$ 0.00	\$ 0.00	\$ (0.01)
Weighted average, common shares, basic and diluted.	487,270,000	454,620,051	470,945,026	226,425,859

The accompanying notes are an integral part of these financial statements

TERRA ENERGY RESOURCES, LTD.
UNAUDITED STATEMENTS OF CASH FLOWS

	For the Nine months ended 30-June-14 [<i>Unaudited</i>]	For the six months ended 30-Jun-2014	For the nine months ended 30-Jun-2014 [<i>Unaudited</i>]
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)	\$ (2,574)	\$ 74,173	\$ 71,599
Adjustments to reconcile net loss to net cash used in operations:			
Depreciation	7,456	14,307	21,763
Common stock issued for services	-		
Common stock issued for acquisition of Canadian subsidiary	-		
Gain on extinguishment of debt	-		
Changes in operating assets and liabilities			
Decrease (increase) in accounts receivables	-		
Increase (decrease) in accounts payables and accrued expenses	<u>3,980</u>	<u>6,941</u>	<u>10,921</u>
Net cash provided by (used in) operating activities	<u>8,862</u>	<u>\$ 95,421</u>	<u>\$ 104,283</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition cost Canadian subsidiary			
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Notes payable related party			
Notes payable	<u>100</u>	<u>(2,790)</u>	<u>(2,690)</u>
Net cash used financing activities	<u>100</u>	<u>(2,790)</u>	<u>(2,690)</u>
Net change in cash	\$ 8,962	\$ 92,631	\$ 101,593
Cash at beginning of period	<u>116,380</u>	<u>23,749</u>	<u>23,749</u>
Net cash at end of period	<u>\$ 125,342</u>	<u>\$ 116,380</u>	<u>\$ 125,342</u>
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for income taxes	\$ -	\$ -	\$ -
Cash paid for interest	\$ -	\$ -	\$ -
NON CASH FINANCING AND INVESTING ACTIVITY			
Common stock issued for purchase of assets	\$ -	\$ -	\$ -
Common stock issued for settlement of liabilities	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

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TERRA ENERGY RESOURCES, LTD.

NOTES TO UNAUDITED FINANCIALS

For the nine months ended Sept. 30, 2014 and the year ended December 31, 2013.

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Interim Financial Information

The accompanying unaudited consolidated financial statements of Terra Energy Resources, Ltd. (the "Company" or "we") have been prepared in accordance with principles generally accepted in the United States of America for interim financial information and applicable rules of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The interim financial statements and notes should be read in conjunction with the financial statements and notes thereto included in annual report ending December 31, 2013.

Acquisitions

In July of 2013, the Company acquired the subsidiary Energy Recyclers Inc., in a tax-free exchange of common shares, 189,147,000 shares of common voting stock of the Company for 100% of the voting common shares of Energy Recyclers Inc. Effective with the year-end financial statement of December 31, 2012, the Company has begun to report its financial operations on a consolidated basis.

Basis of Consolidation

The consolidated financial statements include the accounts of Energy Recyclers, Inc.

Development Stage Activities

With acquisition of Energy Recyclers, Inc., the Company has exited the development stage. While to date the Company has experienced losses from its operations and anticipates that it will require additional capital resources, including the net proceeds from additional equity and debt financing transactions, to generate revenue and achieve positive cash flows from operations. The Company's has been able to generate positive cash flows, however, continuing that trend depends upon a variety of factors, including the acceptance in the market for the Company's products and various other factors, some of which may be beyond the Company's control. There can be no assurance that such financing transactions will be consummated or that such revenue will be generated.

NOTE 2 - SUMMARY OF 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

Cash consists principally of currency on hand, and demand deposits at commercial banks. The Company had \$125,324 on Sept 30, 2014 and \$116.380 on June 30, 2014; and \$23,479 on December 31, 2013.

Revenue Recognition

The Company follows the guidance of Accounting Standards Codification (“ASC”) Topic 605, formerly, Staff Accounting Bulletin (“SAB”) 104 for revenue recognition. In general, the Company records revenue when persuasive evidence of an arrangement exists, services have been rendered, the sales price to the customer is fixed or determinable, and collectability is reasonably assured. Revenues from services are recognized when the services are performed, evidence of an arrangement exists, the fee is fixed and determinable and collectability is probable. In circumstances when these criteria are not met, revenue recognition is deferred until resolution occurs.

Net Income or (Loss) Per Share of Common Stock

Basic and diluted loss per common share is based upon the weighted average number of common shares outstanding during the period computed under the provisions of Accounting Standards Codification subtopic 260-10, Earnings per Share (“ASC 260-10”). Diluted income (loss) per share includes the dilutive effects of common stock equivalents on an “as if converted” basis.

Recently Issued Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective accounting standards, if adopted, will have a material effect on Companies consolidated financial statements.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period enacted. A valuation allowance is provided when it is more likely than not that a portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. The benefit of tax positions taken or expected to be taken in the Company’s income tax returns are recognized in the condensed financial statements if such positions are more likely than not of being sustained.

In accordance with ASC 740-10, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting this standard, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Fair Value of Instruments

ASC 825-10, Financial Instruments requires disclosure of the fair value of certain financial instruments. The carrying value of cash, and accounts payable and accrued liabilities, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The company follows ASC 820-10, Fair Value Measurements and Disclosures and Accounting Standards Codification subtopic 825-10, Financial Instruments (“ASC 825-10”), which permits entities to choose to measure many financial instruments and certain other items at fair value.

NOTE 3 - PROVISION FOR INCOME TAXES

The Company files income tax returns in the United States federal jurisdiction and certain state jurisdictions. With a few exceptions, the Company is no longer subject to U.S. federal or state income tax examination by tax authorities on tax returns filed before December 31, 2006. The Company will file its U.S. federal return for the year ended December 31, 2013 and 2012. The federal and state filing payments have not been made for 2013, and 2012, respectively. The U.S. federal returns are considered open tax years for years 2007 - 2013. There are currently no corporate tax filings under examination by IRS tax authorities.

We did not provide any current or deferred U.S. Federal Income Tax provision or benefit for any of the periods presented because we have experienced operating losses since our date of incorporation. Accounting for the Uncertainty in Income Taxes when it is more likely than not that a tax asset cannot be realized through future income, the Company must allow for this future tax benefit. We provided full valuation allowance on the net deferred asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred assets during the carry forward period

The components of the Company’s deferred tax asset and reconciliation of income taxes computed at the statutory rate to income tax recorded as December 31, 2013 and 2012 is as follows:

	30-Sep 2014	December 31, 2013
Loss per financial statements	\$ 71,599	\$ (35,518)
Stock based comp	-	-
Total taxable net operating loss carry-forward	<u>\$ 71,599</u>	<u>\$ (35,518)</u>
Deferred at 35% period end	\$ (25,100)	\$ 12,400

Deferred asset prior period	12,400	-
Deferred cumulative	(12,700)	12,400
Less: 100% Allowance	12,700	(12,400)
Total deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

	2014	2013
Net operating loss carry-forward	\$ (12,700)	\$ 12,400
Valuation allowance	12,700	(12,400)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

	2014	2013
Tax at statutory rate (35%)	\$ (25,100)	\$ 12,400
Increase in valuation allowance	25,100	(12,400)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

NOTE 4- NOTES PAYABLE

During the nine months ended September 30, 2014, the Company increased the amount of the unsecured notes in the amount of \$100. to \$251,969 which it continues to carry at 6% interest per year. This new note matures on October 1, 2015.

NOTE 5- LIQUIDITY AND GOING CONCERN

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company is exiting the development stage. While in the development stage it has accumulated net losses of \$(3,281,851) from its Inception through Sept. 30, 2014. The Company has historically been financed through an issuance of common stock.

As of Sept 30, 2014, the Company's principal source of liquidity consisted of \$125,324 of cash. The Company had net operating loss of \$ (2,576) for the three months ended Sept. 30, 2014 and of \$(48,866) for the nine months so ending. The Company has a working capital deficit of at \$158,272 Sept. 30, 2014,. The Company only recently has established an operating subsidiary, which has yet to produce revenues to sufficient to cover its operating costs and allow it to continue as a going concern, relying instead upon limited exempt private offerings of its securities and debt obtained primarily from related parties to fund its development activities while incurring significant losses and a working capital deficit.

The Company's ability to continue in existence is dependent upon developing sources of capital to continue its development activities. Management's plan is to raise capital through additional private offerings and financing initiatives. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or other adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE 6 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company is authorized to issue 5,000,000 shares of Preferred stock, par value of \$ 0.001 per share. No preferred series has been designated and none are issued and outstanding

Dividends

During the three months ended March 31, 2014 and the year ended December 31, 2013, the Board of Directors has not declared the payment of any cash dividends.

Common Stock

The Company is authorized to issue 500,000,000 shares of common stock, par value \$0.001 per share.

During the three month period September 30, 2014, the Company has not issued any shares of its common or preferred shares.

During the three months ended June 30, 2014, the Company has not issued any shares of its common or preferred shares.

During the three months ended March 31, 2014, the Company has not issued any shares of its common or preferred stock.

During year ended December 31, 2013, the Company had 484,270,612 shares of its common stock issued and outstanding. During the year ended December 31, 2013, the Company issued the following common shares:

Between July 1, 2013 and July 2, 2013 it issued 214,147,000 common restricted shares in exchange for 100% of the shares issued and outstanding in Energy Recyclers, Inc. The shares were valued at closing price on the date of issuance which was \$0.015. The Company recorded an expense of \$ 3,212,205 in relation to this transaction.

On November 8, 2013, it issued an additional 120,000,000 shares to complete the acquisition transaction. The shares were valued at the closing price on the date of issuance; \$0.024. The Company recorded an additional expense for this transaction of \$288,000.

During the period September 23, 2013 through November 8, 2013, for consulting services. The shares were valued at the closing price on the date of issuance. The Company recorded a charge to general and administrative expenses as follows: \$ 4,650.50 on September 23, 2013 and \$6,000 on November 8, 2013 for a total of \$10,650.50.

On November 8, 2013, the Company issued 53,000,000 shares of common stock in settlement of a portion of its liabilities. The shares were valued at par value as per the creditors' agreement. The Company recorded \$53,000 reduction of its Notes Payables.

NOTE 7 – SUBSEQUENT EVENTS

No subsequent events to report.