

SUNX ENERGY INC.

DISCLOSURE AND FINANCIAL STATEMENTS

FOR THE QUARTER ENDING June 30, 2014

ISSUER INFORMATION AND DISCLOSURE STATEMENT

SUNX ENERGY, INC.
DATED: June 30, 2014

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

SUNX ENERGY, INC. was originally incorporated under the laws of the State of Nevada on February 16, 1997, and has not had any name changes in the past five years.

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 7380 SOUTH EASTERN AVE.,

Address 2: SUITE 124

Address 3: Las Vegas, NV, 89123

Phone: 855-667-8786

Email: greg@sunxenergyinc.com

Website(s): www.sunxenergyinc.com

IR Contact

Address 1: 7380 SOUTH EASTERN AVE.,

Address 2: SUITE 124

Address 3: Las Vegas, NV, 89123

Phone: 855-667-8786

Email: greg@sunxenergyinc.com

Website(s): www.sunxenergyinc.com

3) Security Information

Trading Symbol: SNXG

Exact title and class of securities outstanding: Common Stock

CUSIP: 78485Q 10 2

Par or Stated Value: Par value \$0.00001

Total shares authorized: 920,000,000

as of: June 30, 2014

Total shares outstanding: 431,489,953

as of: June 30, 2014

Transfer Agent

Name: Standard Transfer & Trust Co., Inc.

Address 1: 2980 S. Rainbow Blvd.,

Address 2: Suite 120

Address 3: Las Vegas, NV 89146

Phone: 702-600-0418

Is the Transfer Agent registered under the Exchange Act?*

Yes:

No:

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

None

B. Any jurisdictions where the offering was registered or qualified;

Not Applicable

C. The number of shares offered;

Not Applicable

D. The number of shares sold;

Not Applicable

E. The price at which the shares were offered, and the amount actually paid to the issuer;

Not Applicable

F. The trading status of the shares; and

Not Applicable

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Not Applicable

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

A. Balance sheet;

B. Statement of income;

- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

Financial Statements for the first quarter ended June 30, 2014 are attached to this disclosure statement

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

Sunx Energy is established for the general purpose of oil industry operations. More specifically, the business plan and growth strategy of Sunx Energy is centered on utilization of methodology designed for enhanced recovery of heavy oil. For the past several years Sunx Energy has engaged in research and development relative to various approaches for enhanced oil recovery (EOR). The Company has studied various EOR techniques, including thermal recovery, chemical injection, the use of Analyte and Catholyte (electrolyzed water), and chemical separations for tar sand. Research emphasis has been on methods that are environmentally friendly as well as cost effective. The Company will focus on utilization of its proprietary enhanced oil recovery technology to extract additional oil from mature onshore U.S. fields. The Company will employ a unique business model which exploits our country's proven reservoirs - assets with marginal production that still contain significant reserves that can be produced through enhanced oil recovery. The U.S. sits on only SIX per cent of the world's proved oil reserves but accounts for more than a fifth of global consumption. Assertions of U.S. energy independence are nonsense. But it does have spare oil which needs to be explored. With few exceptions, no large discoveries have been made outside Alaska and the deep waters of the Gulf of Mexico for decades. Yet there is a rich resource to be tapped in the form of abandoned wells, which experts estimate could hold 377 billion barrels - more than double the cumulative U.S. production to date. Professor Kishore Mohanty at the University of Houston estimates that as much as two-thirds of the oil contained in mainland U.S. reservoirs has been left behind because it has proved too difficult or expensive to extract. Oil is held within porous rocks rather than in convenient pools. Traditional flushing with water leaves much of the oil behind, stuck to fractured rocks. But technological advances and a sustained run of high oil prices has made it attractive for smaller companies to develop assets dropped and sold by the majors in states such as Texas, Wyoming, Oklahoma and Kansas. Crude oil development and production in U.S. oil reservoirs can include up to SIX distinct

phases: primary, secondary, and tertiary or enhanced oil recovery (EOR).

During primary recovery, the natural pressure of the reservoir, or gravity, drives oil into the wellbore, and then is combined with artificial lift techniques (such as pumps), which bring the oil to the surface. Only about 10 percent of a reservoir's original oil in place is typically produced during primary recovery.

Secondary recovery techniques extend the field's productive life generally by injecting water or gas to displace oil and drive it to a production wellbore, resulting in the recovery of 20 to 40 percent of the original oil in place.

With much of the easy-to-produce oil already recovered from U.S. oil fields; producers have attempted several tertiary or enhanced oil recovery (EOR) techniques that offer prospects for ultimately producing 30 to 60 percent, or more, of the reservoir's original oil in place. SIX major categories of EOR have been found to be commercially successful to varying degrees:

- Thermal recovery, which involves the introduction of heat, such as the injection of steam to lower the viscosity, or thin, the heavy viscous oil, will improve its ability to flow through the reservoir. Thermal techniques account for over 50 percent of U.S. EOR production, primarily in California.

- Gas injection, which uses gases such as natural gas, nitrogen, or carbon dioxide that expand in a reservoir to push additional oil to a production wellbore, or other gases that dissolve in the oil to lower its viscosity and improves its flow rate. Gas injection accounts for nearly 50 percent of EOR production in the U.S.

- Chemical injection, which can involve the use of long-chained molecules called polymer to increase the effectiveness of waterfloods, or the use of detergent-like surfactants to help lower the surface tension that often prevents oil droplets from moving through a reservoir. Chemical techniques account for less than one percent of U.S. EOR production. There are other development stage technologies, but none has produced significant promise to date. These include in situ combustion and electricity, microwave heating and attempted tar sand mining and separation.

Sunx Energy has as its mission the generation of shareholder value by developing the vast, existing heavy oil formations (resources) found and identified in mature U.S. oil fields through the use of its advanced thermal (steam extraction) process

B. Date and State (or Jurisdiction) of Incorporation:

SUNX ENERGY, INC. was originally incorporated under the laws of the state of Nevada on February 16, 1997

C. the issuer's primary and secondary SIC Codes;

The primary SIC code for the Company is 1311 and the secondary SIC code is 1389.

D. the issuer's fiscal year end date;

Sunx Energy Inc.'s fiscal year end date is December 31st.

E. principal products or services, and their markets;

The Company is in the enhanced oil recovery business utilizing existing wells that are near the end of their life cycle, the technology allows us to increase the production of that well. We will sell the crude oil to refineries in the United States local to the area where we are recovering the crude.

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; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

No

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Yes, Gregory C. Ellis 400,000,000 shares

9) **Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Vic Devlaeminck

10013 N.E. Hazel Dell Avenue

Suite 317

Vancouver, WA 98685

PH: (503) 806-3533

Accountant or Auditor

Name: _____

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Investor Relations Consul-

tant Name: _____

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: _____

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Bill Schaefer, certify that:

1. I have reviewed this quarterly disclosure statement of Sunx Energy Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the 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 respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 13, 2014

/s/Bill Schaefer

President and Director

SUNX ENERGY INC.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED June 30, 2014

CONTENTS

Balance Sheet

Statement of Changes in Stockholders' Equity

Statement of Operations

Statement of Cash Flows

Notes to Financial Statements

SUNX ENERGY INC.

BALANCE SHEET AS AT
June 30, 2014

(UNAUDITED)

ASSETS

Current

Cash \$ 0

Other Assets

1,470,600

\$ 1,470,600

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LIABILITIES

Current

Accounts payable and accrued liabilities \$ 4,700

Long Term Liabilities

Loans Payable 275,000

279,700

SHAREHOLDERS' EQUITY

Capital Stock (note 5) 31,490

Additional Paid-In Capital 1,718,504

Retained Earnings (Deficit) (562,094)

1,190,900

\$ 1,470,600

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These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Bill Schaefer, President and Director for SUNX ENERGY Inc.

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

SUNX ENERGY INC.

STATEMENT OF SHAREHOLDERS' EQUITY FOR

THE SIX MONTHS ENDED June 30, 2014

(UNAUDITED)

	Number of Shares	Capital Stock	Additional Paid In Capital	Profit (Loss)	Shareholder Equity
Balance – Jan 1, 2012	31,489,953	31,490	1,718,504	(555,094)	1,194,900
Investment					
Restricted Issued					
Net Profit (Loss)				<u>(2,000)</u>	<u>(2,000)</u>
Balance – Dec 31, 2012	31,489,953	31,490	1,718,504	(557,094)	1,194,900
Investment					
Net Profit (Loss)				<u>(2,000)</u>	<u>(2,000)</u>
Balance – December 31, 2013	31,489,953	31,490	1,718,504	(559,094)	1,194,900
Investment					
Net Profit (Loss)				<u>(3,000)</u>	<u>(3,000)</u>
Balance June 30, 2014	31,489,953	31,490	1,718,504	(562,094)	1,190,900

=====

These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Bill Schaefer, President and Director for SUNX ENERGY Inc.

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

SUNX ENERGY INC.

STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED June 30, 2014

(UNAUDITED)

Revenue

Sales \$ 0

Expenses

Sales and marketing 0

General and administrative 3,000

0

Net Income (Loss) Before Taxes and Extraordinary items **(3,000)**

Extraordinary items – write off 0

Net Income (Loss) **(3,000)**

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Income per weighted average number of shares

Outstanding – basic and diluted **0**

Weighted average number of shares 431,489,953

Outstanding – basic and diluted

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

SUNX ENERGY INC.

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED June 30, 2014

(UNAUDITED)

Cash Flows from Operating Activities

Net Income (loss) (3,000)

Adjustments to reconcile net loss to net cash used in operating activities:

Depreciation

Accounts payable 0

Loans Payable 3,000

0

Cash Flows from Financing Activities

Paid-In Capital 0

Cash Flows from Investing Activities

Investments 0

Net Cash Used In Operating Activities

0

Cash – beginning of period

0

Cash – end of period

0

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Supplemental Cash Flow Information

Interest paid

Income taxes paid

These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Bill Schaefer, President and Director for SUNX ENERGY Inc.

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

SUNX ENERGY INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

(UNAUDITED)

1. Operations and Business

Sunx Energy Inc. (the Company), was organized under the laws of the State of Nevada on February 16, 1997 under the name EPL Enterprises, Inc.

2. Going Concern Assumption

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is also contingent upon its ability to secure additional financing to meet its obligations as they become due.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

3. Basis of Financial Statement Presentation and Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the requirements of item 310 (b) of regulation S-B.

Accordingly, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect adjustments (consisting only normal recurring adjustments), which, in the opinion of management, are necessary for a fair presentation of the results for the periods presented. The results from operations for the interim periods are not indicative of the results expected for the full fiscal year or any future period. Certain prior period amounts have been reclassified to conform to current period presentation.

NOTE 4 - LONG-TERM DEBT

As of June 30, 2014 the Company has notes payable to consultants in the amount of \$275,000 as follows: Current Capital Corp., \$35,000 (August, 2013). Aladdin Trading LLC., \$80,000 (August,2013). Neoventive LLC., \$80,000 (September, 2013). Acquest Capital Group, Inc. \$80,000(November,2013)

a) Unit of Measurement

The United States currency is being used as the unit of measurement in these financial statements.

b) **Fair Value of Financial Instruments**

The estimated fair value of financial instruments have been determined by the Company using available market information and valuation methodologies. Considerable judgment is required in estimating fair value. Accordingly, the estimates may not be indicative of the amounts the Company could realize in a current market exchange. As of June 30, 2014 the carrying value of accounts payable and accrued charges and advances from shareholder approximate their fair value due to the short term maturity of such instruments.

c) **Income Taxes**

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". Deferred tax assets and liabilities are recorded for differences between the financial statement and tax basis of the asset and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is recorded for the amount of income tax payable or refundable for the period increased or decreased by the change in deferred tax assets and liabilities during the period.

d) **Earnings or (Loss) Per Share**

The Company adopted FAS No. 128, "Earning per Share" which requires disclosure on the financial statements of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the year. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus common stock equivalents (if diluted) related to stock options and warrants each year.

e) **Concentration of Credit Risk**

SFAS No. 105, "Disclosure of Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk", requires disclosure of any significant off-balance sheet risk and credit risk concentration. The Company does not have significant off-balance sheet risk or credit concentration.

f) **Use of Estimates**

Preparation of financial statements in accordance with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ for those estimates although management does not believe such changes will materially affect the financial statements in any individual year.

g) **Management Certification**

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

h) **Dividends**

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

i) **Accounts Receivable**

The trade accounts receivable and allowances for bad debt are shown below.

	06/30/14
Trade Accounts Receivable	
	\$ <u> 0</u>
Allowances	
	0
Trade Accounts Receivable, net	
	\$ <u> 0</u>

j) **Office Equipment**

Office equipment will be stated at cost. Depreciation will be compute using the declining balance method over their estimated useful lives. Maintenance and repairs are charged to expense as incurred.

	06/30/14
Office equipment, net	\$ <u> 0</u>

k) **Revenue Recognition**

The Company follows industry standards in reporting its revenues.

l) **Advertising**

Advertising is expensed when incurred. There has been no advertising since inception.

4. **Advances From Shareholders**

The advances from a shareholder are unsecured, non-interest bearing and have no fixed terms of repayment.

5. Capital Stock

Authorized

920,000,000 common shares, par value \$0.00001

Issued

June 30, 2014

Common Stock	31,490
Additional Paid-In Capital	<u>1,718,504</u>
Capital Stock	<u>\$1,749,994</u>
Shares Outstanding	431,489,953

6. Related Party Transactions and Balances

There have been no related party transactions during the period.

7. Income Taxes

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109 accounting for Income Taxes. SFAS No. 109 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.

SFAS No. 109 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. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded.

The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below. For the quarter ended June 30, 2014 it is as follows.

Net changes in Deferred Tax Benefit less valuation account	0
Current Taxes Payable	0
Net Provision for Income Taxes	0

The federal NOL is due to expire 20 years from the date of its creation. The chart below shows the year of creation, the amount of each estimated year's NOL and the year of expiration if not utilized.

9. Subsequent Events

There are no subsequent events that occurred after the year end.

10. Operations

SUNX ENERGY operates in the enhanced oil recovery business.

11. Operating Leases and other Commitments

The Company has no lease obligations.

12. Reliance on Officers

The President has experience in multi-company operations. If he were no longer able or willing to function in that capacity the Company would be negatively affected.