EESTECH INC AND SUBSIDIARIES

(A DEVELOPMENT STAGE COMPANY)

QUARTERLY / INTERIM REPORT

AS AT 30 SEPTEMBER 2014

(Denominated in USD)

Reg. Office:

Eestech Inc
14 Crimson Drive
Hockessin, Newcastle
DELAWARE USA 19707

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2014
(Unaudited)

	SEPTEMBER 30, 2014 $	DECEMBER 31, 2013 $
ASSETS		
Current Assets		
Cash	773	150,913
Prepaid expenses	-	19,774
Other receivables	52,873	35,062
Provision for doubtful debts	(34,294)	(35,062)
Total Current Assets	**19,352**	**170,687**
Other Non-Current Assets		
Property and equipment, net of depreciation	39,645	17,025
Investment – EESTech Africa (Pty) Ltd	20	21
Investment - EMS	270,576	170,012
HCGT Technology	1,816,491	1,813,682
Delta E Technology	34,849	13,431
Total Non-Current Assets	**2,161,581**	**2,014,171**
TOTAL ASSETS	**2,180,933**	**2,184,858**
LIABILITIES		
Current Liabilities		
Trade creditors	112,707	9,833
Accrued expenses	81,320	181,868
Shareholder loans	281,611	310,814
Debenture notes	41,815	-
Total Current Liabilities	**517,453**	**502,515**
Non-Current Liabilities		
Shareholder loans	470,046	506,017
Total Non-Current Liabilities	**470,046**	**506,017**
TOTAL LIABILITIES	**987,499**	**1,008,532**
Net Assets	**1,193,434**	**1,176,326**
EQUITY		
Foreign currency translation reserve	(1,042,873)	(1,146,203)
Issued capital – par value	99,967	99,453
Issued capital – paid in	28,275,943	27,691,457
Retained earnings	(25,468,381)	(25,290,320)
Current period earnings	(671,222)	(178,061)
Total Equity	**1,193,434**	**1,176,326**

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(Unaudited)

	CURRENT QUARTER SEPTEMBER 30		YEAR TO DATE SEPTEMBER 30		CUMMULATIVE FROM INCEPTION TO (April 26, 2000)
	2014	2013	2014	2013	SEPTEMBER 30
	$	$	$	$	$
Operating expenses:					
General administrative	295,782	157,677	672,857	956,369	22,438,108
Write off investment in China	-	-	-	-	477,252
Unrealised FX (Gain)/loss on translation	-	-	-	-	(613,304)
Research and development	-	-	-	-	1,200,466
Impairment loss on assets	-	-	-	-	4,836,374
Total operating expenses	295,782	157,677	672,857	956,369	28,338,896
Profit / (loss) from operations	**(295,782)**	**(157,677)**	**(672,857)**	**(956,369)**	**(28,338,896)**
Other income (expense)					
Sale of investment in EESTech Africa Pty Ltd	-	12,775	-	980,953	968,180
Licence fees	-	-	-	-	619,301
Other income	-	-	-	-	32,697
Rental income	-	-	-	-	7,046
Write back of directors loans	-	-	-	-	581,848
Discounts received	-	-	-	-	79,291
Interest income	221	911	1,635	2,101	55,676
Interest expense	-	-	-	-	(117,082)
Loss on disposition of assets	-	-	-	-	(26,495)
Provision for taxes	-	-	-	-	(1,169)
Net Profit/(Loss)	**(295,561)**	**(143,991)**	**(671,222)**	**26,685**	**(26,139,603)**
Other comprehensive income	**130,379**	**(44,139)**	**103,330**	**413,894**	**(1,042,873)**
Total comprehensive income/(loss) for the period	**(165,182)**	**(188,130)**	**(567,892)**	**440,579**	**(27,182,476)**
Profit/(loss) for the year is attributable to:					
Owners of EESTech Inc	**(165,182)**	**(188,130)**	**(567,892)**	**440,579**	**(27,182,476)**
Total comprehensive income/(loss) for the year is attributable to:					
Owners of EESTech Inc	**(165,182)**	**(188,130)**	**(567,892)**	**440,579**	**(27,182,476)**

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other comprehensive income /(loss)	Total Stockholders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Balance at inception - April 26, 2000	—	—	—	—	—	—	—
Issuance of stock for intellectual property	4,000,000	4,000	—	—	—	—	4,000
Issuance of stock to directors	650,000	650	—	—	—	—	650
Net loss	—	—	—	—	(18,973)	—	(18,973)
Balance December 31, 2000	4,650,000	4,650	—	—	(18,973)	—	(14,323)
Issuance of stock for cash	997,000	997	996,003	—	—	—	997,000
Issuance of stock for intellectual property	1,000,000	1,000	999,000	—	—	—	1,000,000
Net loss	—	—	—	—	(1,638,743)	—	(1,638,743)
Balance December 31, 2001	6,647,000	6,647	1,995,003	—	(1,657,716)	—	343,934
Issuance of stock for cash	585,000	585	584,415	—	—	—	585,000
Net loss	—	—	—	—	(662,710)	—	(662,710)
Balance December 31, 2002	7,232,000	7,232	2,579,418	—	(2,320,426)	—	266,224
Issuance of stock for cash	583,985	584	875,470	—	—	—	876,054
Issuance of stock for services	50,000	50	189,950	—	—	—	190,000
Common stock subscribed	—	—	—	44,097	—	—	44,097
Net loss	—	—	—	—	(1,106,906)	—	(1,106,906)
Adjustment for foreign currency translation	—	—	—	—	—	23,637	23,637
Comprehensive loss	—	—	—	—	—	—	(1,083,269)
Balance December 31, 2003	7,865,985	7,866	3,644,838	44,097	(3,427,332)	23,637	293,106
Issuance of stock for intellectual property	1,000,000	1,000	3,299,000	—	—	—	3,300,000
Stock subscribed issued	29,398	29	44,068	(44,097)	—	—	—
Issuance of stock for cash	978,370	978	616,149	—	—	—	617,127
Issuance of stock for services	30,000	30	37,470	—	—	—	37,500
Common stock subscribed	—	—	—	890,230	—	—	890,230
Net loss	—	—	—	—	(5,159,117)	—	(5,159,117)

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other comprehensive income /(loss)	Total Stockholders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Adjustment for foreign currency translation	—	—	—	—	—	135,903	135,903
Comprehensive loss	—	—	—	—	—	—	(5,023,214)
Balance December 31, 2004	9,903,753	9,903	7,641,525	890,230	(8,586,449)	159,540	114,749
Issuance of stock for cash	3,845,638	3,845	1,853,673	(890,230)	—	—	967,288
Issuance of stock for note	588,235	588	299,412	—	—	—	300,000
Issuance of stock for services	78,784	79	97,759	—	—	—	97,838
Common stock subscribed (62,500 shares)	—	—	—	50,000	—	—	50,000
Net loss	—	—	—	—	(1,737,846)	—	(1,737,846)
Adjustment for foreign currency translation	—	—	—	—	—	(148,541)	(148,541)
Comprehensive loss	—	—	—	—	—	—	(1,886,387)
Balance December 31, 2005	14,416,410	14,415	9,892,369	50,000	(10,324,295)	10,999	(356,512)
Issuance of stock for cash	2,192,691	2,194	934,629	(50,000)	—	—	886,823
Issuance of stock for acquisition of Methgen Inc	763,700	764	495,641	—	—	—	496,405
Issuance of stock for services	622,627	623	540,602	—	—	—	541,225
Net loss	—	—	—	—	(1,873,231)	—	(1,873,231)
Adjustment for foreign currency translation	—	—	—	—	—	25,622	25,622
Comprehensive loss	—	—	—	—	—	—	(1,847,609)
Balance December 31, 2006	17,995,428	17,996	11,863,241	—	(12,197,526)	36,621	(279,668)
Issuance of stock for cash	8,224,322	8,224	3,107,241	—	—	—	3,115,465
Issuance of stock for services	6,489,989	6,489	5,514,793	—	—	—	5,521,282
Issuance of stock for license	10,000,000	10,000	5,990,000	—	—	—	6,000,000
Net Loss	—	—	—	—	(8,349,511)	—	(8,349,511)
Adjustment for foreign currency translation	—	—	—	—	—	(636,404)	(636,404)
Comprehensive Loss	—	—	—	—	—	—	(8,985,915)
Balance December 31,	42,709,739	42,709	26,475,275	—	(20,547,037)	(599,783)	5,371,164

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other comprehensive income /(loss)	Total Stockholders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
2007							
Issuance of stock for cash	3,148,650	3,150	2,532,335	-	-	-	2,535,485
Issuance of stock for services	905,674	905	473,418	-	-	-	474,323
Cancellation of stock for License	(10,000,000)	(10,000)	(5,990,000)	-	-	-	(6,000,000)
Issuance of stock for License	2,500,000	2,500	247,500	-	-	-	250,000
Net Loss	-	-	-	-	(3,360,680)	-	(3,360,680)
Adjustment for foreign currency translations	-	-	-	-	-	708,647	708,647
Comprehensive Loss	-	-	-	-	-	-	(2,652,033)
Balance December 31, 2008	39,264,063	39,264	23,738,528	-	(23,907,717)	108,864	(21,061)
Issuance of stock for cash	3,516,799	3,517	205,439	-	-	-	208,956
Issuance of stock for services	7,364,666	7,365	473,369	-	-	-	480,734
Net Profit	-	-	-	-	547,030	-	547,030
Adjustment for foreign currency translations	-	-	-	-	-	(928,537)	(928,537)
Comprehensive Loss	-	-	-	-	-	-	(381,507)
Balance December 31, 2009	50,145,528	50,146	24,417,336	-	(23,360,687)	(819,673)	287,122
Issuance of stock for cash	4,151,310	4,151	159,598	-	-	-	163,749
Issuance of stock for services	6,638,046	6,638	316,625	-	-	-	323,263
Net Loss	-	-	-	-	(474,739)	-	(474,739)
Adjustment for foreign currency translations	-	-	-	-	-	(440,748)	(440,748)
Comprehensive Loss	-	-	-	-	-	-	(915,487)
Balance December 31, 2010	60,934,884	60,935	24,893,559	-	(23,835,426)	(1,260,421)	(141,353)
Issuance of stock for cash	11,021,223	11,021	509,436	-	-	-	520,457
Issuance of stock for services	6,794,248	6,794	604,704	-	-	-	611,498
Net Loss	-	-	-	-	(775,777)	-	(775,777)
Adjustment for foreign currency translations	-	-	-	-	-	(76,626)	(76,626)
Comprehensive Loss	-	-	-	-	-	-	(852,403)

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other comprehensive income /(loss)	Total Stockholders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Balance December 31, 2011	78,750,355	78,750	26,007,699	-	(24,611,203)	(1,337,047)	138,199
Issuance of stock for cash	7,224,840	7,225	459,013	-	-	-	466,238
Issuance of stock for services	12,124,344	12,124	1,029,970	-	-	-	1,042,095
Net Loss	-	-	-	-	(679,116)	-	(679,116)
Adjustment for foreign currency translations	-	-	-	-	-	(369,652)	(369,652)
Comprehensive Loss	-	-	-	-	-	-	(1,048,768)
Balance December 31, 2012	98,099,539	98,099	27,496,682	-	(25,290,320)	(1,706,697)	597,764
Issuance of stock for cash	1,353,791	1,354	194,775	-	-	-	196,129
Net Loss	-	-	-	-	(178,061)	-	(178,061)
Adjustment for foreign currency translations	-	-	-	-	-	560,494	560,494
Comprehensive Income	-	-	-	-	-	-	382,433
Balance December 31, 2013	99,453,330	99,453	27,691,457	-	(25,468,381)	(1,146,203)	1,176,326
Issuance of stock for cash	5,575,000	5,575	579,425	-	-	-	585,000
Return of stock for no cash	(5,061,206)	(5,061)	5,061	-	-	-	-
Net Loss	-	-	-	-	(671,222)	-	(671,222)
Adjustment for foreign currency translations	-	-	-	-	-	103,330	103,330
Comprehensive Loss	-	-	-	-	-		(567,892)
Balance June 30, 2014	99,967,124	99,967	28,275,943	-	(26,139,603)	(1,042,873)	1,193,434

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(Unaudited)

	YEAR TO DATE SEPTEMBER 30, 2014 $	YEAR TO DATE SEPTEMBER 30, 2013 $	CUMULATIVE TO SEPTEMBER 30, 2014 $
Cash flows from operating activities:			
Net profit / (loss)	(671,222)	26,685	(26,139,603)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization and depreciation	9,684	2,646	136,618
Amounts credited to provisions	-	-	2,558
Impairment of intellectual property and goodwill	-	-	4,836,373
Gain on sale of EESTech Africa Pty Ltd shares	-	(968,180)	(968,180)
Unrealised FX Gains	78,722	-	(1,419,910)
Writeback of related party loans	-	-	(128,965)
Shares issued for services	-	-	9,320,408
Gain on sale of property	-	-	26,495
Changes in assets and liabilities:			
Decrease in accounts payable	102,875	(113,830)	793,636
Decrease in accruals	(99,730)	70,304	63,390
Decrease in prepaid expenses	3,553	-	(29,390)
Increase in other receivables	(3,263)	-	(45,425)
Net cash used in operations	**(579,381)**	**(982,375)**	**(13,551,995)**
Cash flows used by investing activities:			
Acquisition of plant and equipment	(32,426)	(12,387)	(196,023)
Investment in Licence	-	-	(7,500)
Investment in Liquatech	-	-	(8)
Proceeds on sale of investment in EESTech Africa	-	968,256	968,256
Investment in Delta E Technology	(21,418)	-	(34,848)
Investment in HCGT Technology	(2,810)	(138,087)	(1,816,492)
Investment in EMS	(100,564)	-	(100,564)
Net cash used in investing activities	**(157,218)**	**817,782**	**(1,187,179)**
Cash flows from financing activities:			
Issuance of common stock	585,000	96,130	14,005,097
Loan from/(repaid to) shareholder	(65,174)	(123,344)	206,948
Proceeds from issuance of debentures	41,815	-	41,815
Principal repayments under finance leases	-	-	(45,506)
Deferred lease	-	-	46,703
Net cash from financing activities	**561,641**	**(27,214)**	**14,255,057**
Comprehensive gain (loss) on translation	24,818	466,767	484,890
Net increase (decrease) in cash	**(150,140)**	**274,960**	**773**
Cash, beginning of period	150,913	30,611	-
Cash, end of period	**773**	**305,571**	**773**

The accompanying notes are an integral part of these financial statements

Note 1: Organisational Structure

EESTech, Inc. (the "Company"), a Delaware Corporation, was incorporated on April 26, 2000. On June 8, 2000, the Company acquired water purification technology, which removes impurities from water and improves quantity. The Company intends to sell or otherwise provide on a revenue-producing basis, systems, which will allow customers to purify water at the source. The Company has completed its prototype units and is in the process of marketing and selling a commercial product.

The Company has been in the development stage since its inception, April 26, 2000. It is primarily engaged in raising capital and developing a marketable commercial water purification product.

EESTech Australia Pty Ltd. (a wholly-owned subsidiary) was formed in December 2002. During the year it worked in tandem with the Company in marketing the JetWater System in Australia and the HCGT technology in China, India and South Africa.

Methgen Inc. and its wholly owned subsidiary, Methgen Limited, were acquired in July 2006. The company is now deregistered.

On June 1, 2007 the Company completed a transaction involving the acquisition of 42% of the issued capital of Liquatech Pty Ltd ("Liquatech"). Liquatech is a holding company that has a wholly-owned subsidiary, Liquatech Turbine Pty Ltd which owned a 50% interest in a joint venture with Commonwealth Scientific and Industrial Research Organisation ("CSIRO") known as ComEnergy Pty Ltd ("ComEnergy"). In January 2008, Liquatech Turbine's stockholding in ComEnergy was transferred to EESTech Inc. The transaction did not involve any monetary consideration.

On July 25, 2007 the Company completed the acquisition for cash (USD 461,881) of the 50% interest that CSIRO held in ComEnergy Pty Ltd. ComEnergy Pty Ltd held the exclusive International Licence for the Hybrid Coal & Gas Turbine Technology from the CSIRO. Subsequently, the rights and interests in the HCGT technology were transferred to EESTech Inc and ComEnergy was deregistered in September 2010.

On August 2, 2007 the Company incorporated three (3) wholly owned subsidiaries, EESTech Technologies Pty Ltd, EESTech Research Pty Ltd and EESTech Commercial Pty Ltd. These entities were established to manage the Company's intellectual property assets. In July 2014 these companies were deregistered.

On September 24, 2007, the Company entered into a Share Swap Agreement with HTC Hydrogen Technologies Corp. ("HTC"), a Canadian company, to EESTech Inc. gaining access to a technology for CCS. The Agreement involves the Company issuing 10 million shares of its common stock to HTC in exchange for it being issued all the capital in CO2 Technologies Pty Ltd, a special purpose company that holds the Licence to commercialize the CCS technology in China, India and Asia Pacific.

In December 2008, the Company entered into an amended agreement with HTC to convert the CCS licence to a project specific licence, giving the Company non-exclusive rights to the licence. As a consequence, HTC have returned the full 10,000,000 shares to the Company and 2,500,000 restricted shares have been issued to HTC as full settlement.

On May 25, 2010 EESTech Africa Pty Ltd was incorporated with 100 shares issued. EESTech Australia Pty Ltd holds a 23% interest with 23 shares, while Aveng Africa Limited holds 51 shares and African Spirit Pty Ltd holds the remaining 26 shares. EESTech Africa (Pty) Ltd was incorporated in order to capitalise on the market opportunities identified throughout Africa. High-energy costs, the lack of power availability and the abundance of waste mine resources in many parts of the African Continent represent a significant market opportunity for the application of EESTech's products, including transforming waste, purifying water of providing energy to industry or disadvantaged communities.

Note 1: Organisational Structure (continued)

In late 2013 an agreement was entered into with Environmental Management Solutions LLC (EMS) in regards to the Delta-E and Waste Resource Agglomeration Module (WRAM). For further information on these technologies refer to Note 3.

Note 2: Summary of significant Accounting Policies

The consolidated balance sheet as at September 30, 2014 and the consolidated statement of operations for the three- and nine-month periods ended September 30, 2014 have been prepared by the company without audit. The accounts represent the cumulative results for the Group since its incorporation in 2000.

In the opinion of the management, all adjustments necessary to present a true and fair view of the financial position and results of the operations as at September 30, 2014 and for the periods presented have been made. It should be noted that the financial position and results of the operations are subject to change and may differ to the results for the full year reported in the annual financial statements.

PRINCIPLES OF CONSOLIDATION
The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. The financial statements have been consolidated with the parent company and all inter-company transactions and balances have been eliminated in consolidation.

PROPERTY AND EQUIPMENT
Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which is three to seven years. The Company has no equipment under capital lease.

INTELLECTUAL PROPERTY
The Intellectual property associated with the JetWater System and HCGT Technologies are recorded either at their purchase cost or the contra pricing associated with issuance of Restricted Shares under Rule 144. The company has undertaken additional research and development over the past 3 years that has significantly enhanced the values of the intellectual property that is recorded in the accounts. This value has not been included in the financial statements. The Board has resolved that in the coming period/s it will initiate an independent valuation for the technologies in which the company is engaged.

During the current financial year the group has paid monies to acquire the rights to the Delta E Technology. Further monies will be expended on this in the coming quarter. Once the transaction is complete the Board will review the technologies value.

USE OF ESTIMATES
The preparation of financial statements in accordance 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, and the reported amounts of revenues and expenses during the reporting period. The Company has only used estimates for relatively minor accruals when they are not in possession of actual invoices after the balance date. The Company accounts for all its foreign subsidiaries on the same basis. Actual results could differ from those estimates.

Note 2: Summary of significant Accounting Policies (continued)

NET LOSS PER SHARE

In February 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 128 “Earnings Per Share,” which requires the Company to present basic and diluted earnings per share for all periods presented. The computation of loss per common share (basic and diluted) is based on the weighted average number of shares actually outstanding during the period. The Company has no common stock equivalents, which would dilute earnings per share.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments consist principally of cash and payables. The estimated fair values of these instruments approximate their carrying value.

FOREIGN CURRENCY TRANSLATION

The functional currency of the Company's foreign operations is Australian Dollars. The Company translates the foreign currency financial statements of its foreign operations in accordance with generally accepted accounting principles by translating balance sheet accounts at the appropriate historical or current exchange rate on the balance sheet date and the income statement accounts using the prevailing exchange rates at the transaction date. Translation gains and losses are recorded in stockholders’ equity and realized gains and losses are reflected in operations.

RESEARCH AND DEVELOPMENT COSTS

With much of the company's' research and development completed, the focus is now on commercialization and further product development coming largely from the project implementation and plant operation where it is envisioned new improvements will be identified which in turn will continue to maintain EESTech's competitiveness.

MARKETING EXPENSES

The Company is focusing its marketing activities in Africa where significant market analysis and investment has been undertaken over the past 3 years. It is envisaged that business development and pre sales technical support expenses will be incurred to further capitalize on the market success EESTech has made to date within Africa. It is viewed that marketing into other global regions will follow once the commercial activities in Africa become self-sustaining.

IMPAIRMENT OF LONG-LIVED ASSETS

FASB issued in August 2001, SFAS 144, “Accounting for the Impairment or Disposal of Long-lived Assets”. In accordance with this statement, the Company periodically reviews its long-lived assets to be held and used by the Company to determine whether any events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company bases its evaluation on such impairment indicators as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements, as well as other external market conditions or factors that may be present. If such impairment indicators are present or other factors exist that indicate that the carrying amount of the asset may not be recoverable, the Company determines whether impairment has occurred through the use of an undiscounted cash flow analysis of assets at the lowest level for which identifiable cash flows exist.

If impairment has occurred, the Company recognizes a loss for the difference between the carrying amounts and the estimated value of the asset. The fair value of the asset is measured using quoted market prices or, in the absence of quoted market prices, fair value is based on an estimated discounted cash flow analysis.

The Company reduced the carrying value of the intellectual property to its net realizable value and recorded an impairment loss of $1,000,000 and $3,300,000 for the years ended December 31, 2001 and 2004, respectively, in accordance with SFAS 121, which was superseded by SFAS 144.

Note 3: Going Concern

The accompanying financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America, contemplates the continuation of the Company as a going concern. However, the Company has been in the development stage since its inception (April 26, 2000), sustained significant losses and has used capital raised through the issuance of stock to fund activities. Continuation of the Company as a going concern is contingent upon establishing and achieving profitable operations. Such operations will require management to secure additional financing for the Company in the form of debt, equity, the sale of marketing right to Geographical regions and Licence Fee.

Management believes that actions currently being taken to revise the Company's funding requirements will allow the Company to continue marketing the Company's products and services. However, there is no assurance that the necessary funds will be realized by securing debt or through stock offerings.

The management has initiated the process to sell the HCGT Licences in specific geographical regions and this cash flow will be expected to sustain the company's on-going operations.

In early 2010, EESTech Australia Pty Ltd incorporated a South African Company known as EESTech Africa (Pty) Ltd, this company was incorporated in order to capitalise on market opportunities identified throughout Africa. High-energy costs and the lack of power availability in many parts of the African Continent represent a significant market opportunity for the application of the HCGT.

The simplicity of the HCGT's robust modular design and its ability to burn a combination of any waste combustible makes the HCGT perfectly suited to these markets, whether providing energy to industry, disadvantaged communities or distribution onto a national grid.

EESTech assigned EESTech Africa an Exclusive Marketing Agreement for Africa. This agreement requires a minimum performance target of 30MWe of installed generating capacity to be achieved annually.

Under the terms of this agreement EESTech Africa is required to pay an up-front, one time only, licence fee of AUD$100,000 per MWe of installed capacity to EESTech Australia with an ongoing royalty payment of AUD$2.00 per MWe hour, 24/7 for ten years on each MWe generated.

In April 2011 EESTech made the decision to form a strategic relationship with the Aveng Group. With over 34,000 employees the Aveng Group is arguably Africa's largest Engineering, Manufacturing and Construction Corporation.

In May 2012 as a result of this relationship, the Aveng Group made the decision to purchase from EESTech Australia at a price of AUD$1million, a 51% equity position in EESTech Africa (Pty) Ltd.

The Aveng Group is a multi-disciplinary construction and engineering group based in South Africa, with expertise in a number of market sectors: power, mining, infrastructure, commercial and industrial, oil and gas. The Aveng Group has already played a significant role in Africa's power generation industry. The Aveng Group has the capacity and capability to deliver extensive large-scale projects. Engineering & Project Company (Pty) Ltd (E+PC) is a subsidiary of the Aveng Group and one of the largest Engineering, Procurement and Construction companies in Africa.

E+PC can provide the full spectrum of professional multidisciplinary engineering, project and construction management services. These capabilities cover all aspects of a project, from materials handling, to design, utilities and infrastructure. All aspects of the development cycle from initial scoping studies, to bankable feasibility, subsequent implementation, project commissioning and ongoing operations.

Note 3: Going Concern (continued)

The relationship with E+PC will provide EESTech Africa with market credibility and engineering capability to execute projects with the necessary expertise and ability to provide system warranties and project delivery assurances.

EESTech Africa has been approached by a variety of potential clients wishing to use the HCGT platform as a means to enable power generation in areas where the lack of availability and/or the unreliable nature of current supplies are limiting growth and the establishment of new business opportunities.

During the 2013 financial year and the current period EESTech Inc has been focusing on some new technologies.

The new technologies of EESTech Inc include:

1. The Waste Resource Agglomeration Module (WRAM), a proven waste reclamation system, which utilizes proprietary binding agents to reform mine waste into commercially useable and saleable products;

2. The Delta-E system that utilizes natural energy forces to reduce the cost of refining of minerals and other compounds into a purified or concentrated form as an alternative or enhancement to smelting and refining;

3. Exothermic Pyrotechnic Composition (EPC) is a proprietary energy enhancing aluminothermic infusion process, which increases the thermal energy output and combustion pressure of ignitable materials.

An agreement has been entered into with Environmental Management Solutions LLC (EMS) whereby EESTech Inc is acquiring the intellectual property in relation to Delta-E.

Note 4: Intellectual property

On June 8, 2000, the Company purchased ownership rights to certain water purification intellectual property and technology, and a related system from Global Power & Water, Inc. (Global), which includes a pending Australian patent application, certain other patent rights, copyrights, design rights, trademark rights, and any other rights that may exist at any time in relation to this product. The Company issued 4,000,000 shares of restricted common stock valued at $4,000 for the purchase of this technology. In addition, the agreement called for the Company to issue 1,000,000 restricted shares when the technology has reached a point of technological feasibility and 1,000,000 restricted shares when Global has produced a fully working prototype of the Jet Water System that is ready for large scale production and deployment in commercial applications. The first 1,000,000 shares were issued in January 2001. The second 1,000,000 shares were issued in March 2004.

In July 2006, the Company acquired the exclusive license for North America to exploit the Hybrid Coal and Gas Turbine Technology for electricity generation by acquiring the common stock of Methgen, Inc. for 763,700 shares of common stock of the Company at $496,405 based on the closing price of the shares on the date of acquisition. The Company's acquisition included a license recorded by Methgen valued at $536,373. The Company believes that it may not be able to recover the carrying amounts of these assets and has historically charged income for impairment of the license.

On June 1, 2007 the Company acquired the 50% interest that the Australian Government's Research entity, Commonwealth Scientific and Industrial Research Organisation held in ComEnergy Pty Ltd. COM Energy held an exclusive international license for the HCGT technology.

Note 4: Intellectual property (continued)

On October 22, 2007 the Company completed its condition precedent to permit the CSIRO to assign the rights and ownership of Patents for the HCGT technology.

During the current period the group has paid monies to acquire the rights to the Delta E Technology. Further monies will be expended on this in the coming quarter. Once the transaction is complete the Board will review the technologies value.

Note 5: Controls and Procedures

Disclosure Controls and Procedures. The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, have concluded that its disclosure controls and procedures are effective to reasonably ensure that material information required to be disclosed by the Company in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specific by Securities and Exchange Commissions' rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There were no changes made during our most recently completed fiscal quarter in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Note 6: Directors, Executive Officers, Promoters and Control Persons

The officers and directors of the Company, their ages and present positions held with the Company are as follows:

Name	Age	Position and Offices with the Company
Murray Bailey	64	Chief Executive Officer, Chief Financial Officer and Director
Gaylord Beeson	65	Director
Don Bartlem	66	Director and Company Secretary

Mr. Murray Bailey joined the Company in July 2006. Mr. Bailey is experienced in international trade and finance. He possesses significant technical skills that assisted in product identification, research, development and commercialization phases. He replaced Mr. Paul Bailey who resigned to pursue personal interests internationally.

Mr. Gaylord Beeson joined our board of directors in July 2005. Mr. Beeson has a history of 27 years in the oil and chemical industry. His specific expertise is in plant design, project management, plant operations and quality control.

Mr Don Bartlem joined the board of directors in January 2012. Don Bartlem has been associated with EESTech since 2004. He has over 30 years' experience in a wide range of industries including the negotiation of complex salary outcomes for major mining and process operations including BHP, Argyle Diamond Mines and Newcrest Mining Ltd.

All directors hold office until the next annual meeting of shareholders of the Company and the election and qualification of their successors. Officers are elected annually by, and serve at the discretion of, the board of directors of the Company.

Note 6: Directors, Executive Officers, Promoters and Control Persons (continued)

Board Committees

The Company does not presently have an audit committee, nominating committee or compensation committee. The board of directors as a whole performs the functions of each of these committees. The board of directors is cognizant of the requirement of Regulation S-B Item 407(d) (5) and is seeking to appoint a director with financial expertise within the next two years that may be deemed to be an audit committee financial expert. The Company has not adopted any procedures by which security holders may recommend nominees to our board of directors.

Code of Ethics

The Company has not adopted a code of ethics that applies to its principal executive officer, principal financial officer or principal accounting officer. The Company does not believe that a code of ethics is currently necessary because the Company has one employee and is a development stage company.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: 12th November 2014.

EESTECH, INC.



Name: Murray Bailey
Title: Chairman / Chief Executive Officer