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.

Big Cat Energy Corp

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 121 W. Merino Rd
Address 2: PO Box 500
Address 3: Upton, WY 82730
Phone: 307-468-9369
Email: r_stifel@msn.com
Website(s): www.bigcatenergy.com

IR Contact
Address 1: Live Call IR
Address 2: 266 Elmwood Ave, Suite 752
Address 3: Buffalo, NY 14222
Phone: 201-984-5646
Email: gb@livecallir.com
Website(s): _____

3) Security Information

Trading Symbol: BCTE
Exact title and class of securities outstanding: Common
CUSIP: 089084107
Par or Stated Value: .0001
Total shares authorized: 100,000,000 as of: 10/07/2015
Total shares outstanding: 67,590,403 as of: 10/07/2015

Additional class of securities (if necessary):
Trading Symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or Stated Value: _____
Total shares authorized: _____ as of: _____
Total shares outstanding: _____ as of: _____

Transfer Agent
Name: Nevada Agency and Transfer Company
Address 1: 50 West Liberty Street
Address 2: Suite 880
Address 3: Reno, NV 89501
Phone: 775-322-0626
Is the Transfer Agent registered under the Exchange Act?* Yes: x 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

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within 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 equity securities, including debt convertible into equity 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;

_____

C. The number of shares offered;

_____

D. The number of shares sold;

_____

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

_____

F. The trading status of the shares; and

_____

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.

_____

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 otciq.com in the field below.

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;

Water handling technology for coal bed methane

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

06/19/1997

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

423800

D. the issuer's fiscal year end date;

04/30

E. principal products or services, and their markets;

Oil and Gas supplier

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If

the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

N/A

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Richard G. Stifel, sole Director and Officer

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

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   No

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; 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.

High Plains Gas Inc, 3601 Southern Dr, Gillette, WY 82718 29.6%

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
Name: Benjamin L Bunker
Firm: The Bunker Law Group
Address 1: 3753Howard Hughes, Suite 200
Address 2: Las Vegas, NV 89169
Phone: 702-784-5990
Email: _____

Accountant or Auditor
Name: _____
Firm:
Address 1:
Address 2:
Phone:
Email:

Investor Relations Consultant
Name: _____
Firm: Live Call IR
Address 1: 266 Elmwood Ave. Suite 752
Address 2: Buffalo, NY 14222
Phone: 201-984-5646
Email: gb@livecallir.com

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, Richard G. Stifel certify that:

1. I have reviewed this Annual Report for 4/30/2012 of Big Cat Energy Corp. BCTE;

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.

10/21/2015 [Date]

/s/ Richard G. Stifel [CEO's Signature]

_____ [CFO's Signature]
(Digital Signatures should appear as "/s/ [OFFICER NAME]")

President [Title]

BIG CAT ENERGY CORPORATION
BALANCE SHEET

	(UNAUDITED) 30-Apr 2013	(UNAUDITED) 30-Apr 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$215	$373
Accounts receivable	0	1,203
Inventory	12,559	12,559
Prepaid expenses and other current assets	0	10,851
Total current assets	12,774	24,985
Property, Plant and Equipment, at cost:		
Furniture and equipment, net of accumulated depreciation	4,162	4,162
Total	4,162	4,162
Intangible Assets-net	117,386	124,106
Total Assets	$134,322	$153,254
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$438,753	$374,166
Deferred salary	128,250	128,250
Total Current Liabilities	567,003	502,416
Stockholders' Equity::		
Common stock, $.0001 par value, 100,000,000 shares authorized, 43,481,00 and shares issued and outstanding	6,759	6,759
Additional paid-in capital	12,508,825	12,508,825
Deficit accumulated during development stage	(12,948,265)	(12,864,746)
Total stockholders' equity	(432,681)	(349,162)
Total Liabilities and Stockholders' Equity	$134,322	$153,254
	0	0

See accompanying notes to financial statement.

BIG CAT ENERGY CORPORATION

STATEMENT OF OPERATIONS
FOR THE YEARS ENDING APRIL 30, 2013 AND 2012
(UNAUDITED

	For the year ended Apr, 30 2013	2012
Revenues		
Sales	$ 0	$ 67,000
Lease revenue	0	6,875
Other	130	341
	130	74,216
Cost of Goods Sold	0	1,525
Gross Profit	130	72,691
Expenses:		
Personnel cost	0	$ 317,512
Consulting fees		
Professional fees	0	56,119
Research and development		
Selling Expense		
Depreciation, depletion and amortization	0	7,927
Other general and administrative	4,924	62,606
	4,924	444,164
Operating Loss	(4,794)	(371,473)
Other Income (Expense):		
Interest	0	4
Loss on securites sales	(3,130)	(142,531)
Loss of valuation marketable securities	0	(207,059)
Litigation proceeds	0	0
Net (Loss)	(7,924)	$ (721,059)
NET (LOSS) PER COMMON SHARE	(0.00)	$ (0.01)
Weighted shares outstanding	52,994,455	52,994,455

See accompanying notes to financial statement.

BIG CAT ENERGY CORPORATION
STATEMENT OF CHANGE IN SHAREHOLDER EQUITY

	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Deficit Accumulated During Development Stage	Cumulative Translation Adjustment Other Comprehensive Loss	Total
Balance at inception						
June 19, 1997	0	$ 0	$ 0	$ 0	$ 0	$ 0
June 1997, issuance of common stock for services, at fair value ($.0001 per share)	500,000	50	0	0	0	50
Net loss	0	0	0	(50)	0	(50)
Balance at April 30, 1998	500,000	50	0	(50)	0	0
Net loss	0	0	0	0	0	0
Balance at April 30, 1999	500,000	50	0	(50)	0	0
Contributed services	0	0	500	0	0	500
Contributed rent	0	0	400	0	0	400
Net loss	0	0	0	(900)	0	(900)
Balance at April 30, 2000	500,000	50	900	(950)	0	0
Contributed services	0	0	500	0	0	500
Contributed rent	0	0	1,200	0	0	1,200
Net loss	0	0	0	(2,179)	0	(2,179)
Balance at April 30, 2001	500,000	50	2,600	(3,129)	0	(479)
April, 2002, sale of common stock ($.10 per share)	791,000	79	79,021	0	0	79,100
April 2002, common stock subscribed ($.10 per share)	323,000	32	32,268	0	0	32,300
Cancellation of common stock (Note 2)	(500,000)	(50)	0	0	0	(50)
Contributed services	0	0	2,050	0	0	2,050
Contributed rent	0	0	1,200	0	0	1,200
Expenses paid on behalf of Company (Note 2)	0	0	725	0	0	725
Net loss	0	0	0	(9,668)	0	(9,668)
Balance at April 30, 2002	1,114,000	111	117,864	(12,797)	0	105,178
Contributed services	0	0	2,650	0	0	2,650
Contributed rent	0	0	1,200	0	0	1,200
Net loss	0	0	0	(54,086)	0	(54,086)
Balance at April 30, 2003	1,114,000	111	121,714	(66,883)	0	54,942
Comprehensive loss:						
Net loss	0	0	0	(42,521)	0	(42,521)
Cumulative translation adjustment	0	0	0	0	(205)	(205)
Comprehensive loss	0	0	0	0	0	(42,726)
Balance at April 30, 2004	1,114,000	111	121,714	(109,404)	(205)	12,216
Comprehensive loss:						
Net loss	0	0	0	(23,139)	0	(23,139)
Cumulative translation adjustment	0	0	0	0	26	26
Comprehensive loss	0	0	0	0	0	(23,113)
Balance at April 30, 2005	1,114,000	111	121,714	(132,543)	(179)	(10,897)
March 2006, common stock issued to officers and directors through Asset Purchase Agreement	12,450,000	1,245	22,745	0	0	23,990
March 2006, common shares sold in private placement offering ($.01 per share)	2,500,000	250	24,750	0	0	25,000
March and April 2006, common shares sold in private placement offering ($.05 per share)	7,400,000	740	369,260	0	0	370,000
Comprehensive loss:						
Net loss	0	0	0	(145,182)	0	(145,182)
Cumulative translation adjustment	0	0	0	0	179	179
Comprehensive loss	0	0	0	0	0	(145,003)
Balance at April 30, 2006	23,464,000	2,346	538,469	(277,725)	0	263,090
Sale of common stock	6,077,000	608	3,540,893			3,541,501
offering costs			(21,753)			(21,753)
contributed capital			22,582			22,582
Stock based compensation			1,840,000			1,840,000
Net income (loss) 2007				(2,639,221)		(2,639,221)
			0			
Balance at april 30, 2007 (unaudited)	29,541,000	$ 2,954	$ 5,920,191	$ (2,916,946)	$ 0	$ 3,006,199

Stock based compensation			460,000			460,000
other - offering costs subsidiary			(790)			(790)
Net income (loss) First Ouarter2007				(1,137,531)		(1,137,531)
Balance at July 31, 2007 (unaudited).....	29,541,000	$ 2,954	$ 6,379,401	$ (4,054,477)	$ 0	$ 2,327,878
Sale of common stock	500,000	50	499,950			500,000
Stock based compensation			460,000			460,000
Net income (loss) 2nd Otr. 2007				(770,432)		(770,432)
Balance at October 31, 2007	30,041,000	3,004	7,339,351	(4,824,909)	0	2,517,446
Stock based compensation			468,000			468,000
Net income (loss) 3rd Otr. 2008				(783,709)		(783,709)
Balance January 31, 2008	30,041,000	3,004	7,807,351	(5,608,618)	0	2,201,737
Spin off Sterling			(844,050)			(844,050)
Sterling offering fees			790			790
Sale common stock	1,000,000	100	499,900			500,000
Stock based comp			972,000			972,000
Net loss 4th qtr. 2008				(1,686,622)		(1,686,622)
Balance April 30, 2008	31,041,000	3,104	8,435,991	(7,295,240)		1,143,855
Sale of Common Stock	1,000,000	100	499,900			500,000
stock based compensation			1,543,625			1,543,625
Net loss FY 2009				(2,664,180)		(2,664,180)
Balance April 30, 2009	32,041,000	3,204	10,479,516	(9,959,420)		523,300
Sale of Common Stock	11,440,000	1,144	570,856			572,000
stock based compensation			121,565			121,565
Net loss FY 2010				(1,050,294)		(1,050,294)
Balance April 30, 2010	43,481,000	4,348	11,171,937	(11,009,714)		166,571
Sale of Common Stock	363,334	36	32,664			32,700
Mark to market					221,754	221,754
stock based compensation			214,566			214,566
Private Placement December	20,000,000	2,000	715,426			717,426
Private Placement December -salaries	3,579,402	358	357,582			357,940
Stock in lieu of payment	166,667	17	16,650			16,667
Net loss FY 2011				(1,133,973)		(1,133,973)
Balance April 30, 2011	67,590,403	6,759	12,508,825	(12,143,687)	221,754	593,651
Mark to market					(221,754)	(221,754)
Net loss FY 2012				(721,059)		(721,059)
Balance April 30, 2012	67,590,403	6,759	12,508,825	(12,864,746)	0	(349,162)
Net loss FY 2013				(83,519)		(83,519)
Balance April 30, 2013	67,590,403	6,759	12,508,825	(12,948,265)		(432,681)

	For the year ended April 30, 2013	2012
Cash Flows From Operating Activities:		
Net Loss	($83,519)	($721,059)
Adjustments to reconcile net loss to		
net cash used by operating activities:		
Depletion, depreciation and amortization	0	7,927
Stock based compensation		0
Stock issued in lieu of cash payment		0
OCI	0	(221,754)
Contributed servcies and other		
Changes in operating assets and liabilities:		
Accounts Receivble	1,203	11,375
Prepaids and other	3,322	(1,618)
Available for sale	7,530	739,180
Deferred revenue	0	(6,876)
Deferred salary		0
Payables	71,306	197,654
Net cash used in operating activities	(158)	4,829
Cash Flows From Investing Activities:		
Purchase of unproved oil and gas properties		0
(Puchase) sale of inventory	0	7,056
Purchase of equipment		0
Net investment available for sale securities	0	0
Other assets	0	(15,318)
Discontinued Operations		
Net cash used in investing activities	0	(8,262)
Cash Flows From Financing Activities:		
Net cash provided by financing activities	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	(158)	(3,433)
Cash and Equivalents, at beginnning of period	373	3,806
Cash and Equivalents, at end of period	$215	$373

1. ORGANIZATION AND NATURE OF OPERATIONS:

Big Cat Energy Corporation ("Big Cat" or the "Company"), a Nevada corporation, owns the exclusive right to a patented technology known as Aquifer Recharge Injection Device (ARID) which allows Coal Bed Methane (CBM) operators to re-inject water produced from productive coal seams. The Company has been in the development stage since inception and has yet to generate any significant revenue-producing operations. Activities since its inception have primarily involved its organization, development of the Company and more recently, its ARID initiative.

2. LIQUIDITY:

Going Concern – As of April 30, 2012 the Company had working capital of $(554,229) and stockholders'(deficit) of $(432,681). We have realized minimal revenues and have incurred significant losses from operations and used significant cash flow to fund operations for the fiscal years presented. Historically, Big Cat has relied upon outside investor funds to maintain its operations and develop its business. Big Cat's plan for continuation anticipates continued funding from investors and realization of substantial leases of the ARID tool. Funding, if received, would be used for operations, for working capital, as well as business expansion during the upcoming fiscal year. The Company can provide no assurance that additional investor funds will be available on terms acceptable to the Company. These conditions raise substantial doubt about Big Cat's ability to continue operations as a going concern

Big Cat's ability to continue as a going concern is dependent upon raising capital through debt or equity financing and ultimately by increasing revenue and achieving profitable operations. The Company can offer no assurance of success in our efforts to raise additional proceeds or achieve profitable operations. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, amounts held in banks and highly liquid investments purchased with an original maturity of three months or less.

*Advertising-*The Company expenses advertising costs as they are incurred.

Warranty accrual – ASC 450 requires companies to accrue for warranty exposure based on reasonable estimates of the amount incurred. Based on historical data, the Company has accrued no costs for warranty resolution as of April 30, 2013 and 2012.

Intangible Assets – The Company capitalized the costs to patent the ARID process and ARID trademark. These costs are being amortized over the life, twenty (20) years, of the patents on a straight line basis. The intangibles serve as collateral for the accrued deferred salaries. The Company expects to record amortization expense for subsequent period as follows

FY 2013	$6,720
FY 2014	$6,720
FY 2015	$6,720
FY 2016	$6,720
FY2017	$6,720
Thereafter	$88,006

Concentrations of Credit Risk – The Company's cash equivalents, accounts receivable and marketable securities are exposed to concentrations of credit risk. The Company manages and controls this risk by investing the cash equivalents with major financial institutions. The accounts receivable are from a related party and are considered to be fully collectable. The marketable securities are common shares are from the same related party and are subject to market risk.

Furniture and Equipment – Furniture and equipment is stated at cost. Depreciation is provided on furniture, fixtures and equipment using the straight-line method over an estimated service life of three to seven years.

The cost of normal maintenance and repairs is charged to operating expenses as incurred. Material expenditures which increase the life of an asset are capitalized and depreciated over the estimated remaining useful life of the asset.

Concentration of Customer Base- The Company had a single purchaser of ARID tools during the year ended April 30, 2012 and that customer was a related party. The Company had one customer for administrative services in the year ended April 30, 2013.

Income Taxes – Income taxes are accounted for by recognizing deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax basis of assets, liabilities and carryforwards. Deferred tax assets are recognized for the expected future effects of all deductible temporary differences, loss carryforwards and tax credit carryforwards. Deferred tax assets are then reduced, if deemed necessary, by a valuation allowance for the amount of any tax benefit which, more likely than not, are not expected to be realized.

We adopted ASC 740, *Income Taxes* as of April 1, 2008. This topic provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods. We recognize interest and penalties related to uncertain tax positions in income tax expense.

Investments – Securities classified as "available for sale" are carried in the financial statements at fair value. Realized gains and losses are included in earnings. Unrealized holding gains and losses are reported in other comprehensive income.

Fair Value of Financial Instruments – The Company's financial instruments consist of cash and cash equivalents, accounts receivable, prepaid expenses, marketable securities and accounts payable. The fair market value of these financial instruments approximates or is equal to the book value due to the short term nature of these balances.

Fair Value Measurements - are determined by the Company's adoption of ASC 820 *Fair Market Measurement and Disclosures* as of May 1, 2008, including the application of the statement to non-recurring, non-financial

assets and liabilities. The adoption of ASC 820 did not have a material impact on the Company's fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal (or most advantageous market) for the asset or liability in an orderly transaction between market participants at the measurement date.

Stock-Based Compensation – The Company accounts for stock-based compensation arrangements in accordance with ASC 718, *Compensation-Stock Compensation*, which permits entities to recognize as expense over the vesting period, the fair value of all stock-based awards on the date of grant.

Research and Development Expenditures – Costs related to the research, design, and development of products are charged to research and development expenses as incurred. The Company incurred $0 of research and development costs for the years ended April 30, 2013 and 2012.

Net Loss Per Share – Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Contingently issuable shares are included in the computation of basic net income (loss) per share when the related conditions are satisfied. Diluted net income per share is computed using the weighted average number of common shares and potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of contingently issuable shares, the incremental common shares issuable upon conversion of preferred stock or convertible debt (using the "if converted" method) and shares issuable upon the exercise of stock options and warrants (using the "treasury stock" method). Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive.

As of April 30, 2013 and 2012 the Company had options issued to purchase 4,135,000 shares and warrants issued to purchase 19,173,033 shares that would be potentially dilutive. The options and warrants outstanding were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive.

Revenue Recognition-When the Company sells its ARID tools, revenue is recognized upon delivery of the tools to the customer. When the Company leases its ARID tools, revenue is recognized equally over the term of lease. When the lease is executed the company records deferred revenue as an Other Current Liability for those amounts paid for lease commitments for the next 12 months and a Long Term Obligation for those amounts in excess of 12 months. The Company has no deferred revenue recorded in FY2013 or FY2012

Reclassifications – Certain reclassifications have been made to prior years' amounts to conform to the classifications used in the current year. Such reclassifications had no effect on the Company's net loss in any of the periods presented.

Recent Pronouncements

We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on our financial condition or the results of our operations.

4. FAIR VALUE MEASUREMENTS:

ASC 820 establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1- Quoted prices in active markets for identical assets or liabilities.
Level 2- Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
Level 3- Unobservable inputs based on the Company's assumptions,

ASC 820 requires the use of observable market data if such data is available without undue cost and effect.

	Fair Value Measurements at Reporting Date Using			
Description	April 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities available for sale	$0	$0	$0	$0
Total	$0	$0	$0	$0

5. MARKETABLE SECURITIES

The Company did not have any securities available for sale at April 30, 2013.:

6. RELATED PARTY TRANSACTIONS

For year ended April, 30 2012, the officers of the Company provided management services to its affiliated company, Sterling Oil & Gas Company. The Company did not charge Sterling for these services.

7. SHAREHOLDERS' EQUITY:

Private Offerings –

The Company had no private offering activity in the years ended April 30, 2013 and 2012.

In July 2009 the Company completed a private placement of 10,000,000 units for $500,000 ($.05 per unit), each unit consisting of one restricted share of its common stock and one warrant to purchase one half restricted share of its common stock. Warrants are exercisable for $.075 and must be exercised on or before July 28, 2012. These warrants expired on July 28,2012 unexercised.

The above private offerings were made in reliance on an exemption from registration in the United States under Section 4(2) and/or Regulation D of the United States Securities Act of 1933, as amended.

In accordance with ASC 815, *Derivatives and Hedging*, and the terms of the warrants and the transaction documents, the warrants were determined to represent an equity transaction and therefore the fair value of the warrants are contained within the equity section and not separately recorded apart from the common shares issued as part of the private placement.

8. STOCK OPTION PLAN:

The Company has adopted the 2007 Nonqualified Stock Option Plan (the "Plan"), as amended. The Company has reserved 5,000,000 shares of common stock for the plan. During Fiscal 2009 the Board of Directors granted options to purchase 1,665,000 shares to directors, officers and key employees and consultants of the Company, effective December 31, 2008. The exercise price of the options was $0.12, the closing price of Company shares on December 31, 2008. The options granted on December 31, 2008 become exercisable on

December 31, 2009 and expire on December 31, 2014. During Fiscal 2010 the Board of Directors granted options to purchase 410,000 shares to outside directors and key employees of the Company, effective January 4, 2010. The exercise price of the options was $0.15, the closing price of Company shares on January 4, 2010. The options granted on December 31, 2008 became exercisable on January 4, 2011 and expire on January 4, 2015.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of the options at the grant and vesting date. The fair values of options granted and vested were calculated using the following weighted-average assumptions:

	Year ended April 30, 2013	Year ended April 30, 2012
Expected dividend yield	–	–
Expected price volatility	178%	152%
Risk free interest rate	1.99%	2.65%
Expected term of options (in years)	5 years	5 years

A summary of option activity under the Plan and changes during the years then ended is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding – May 1, 2006	–	$ –	–	$ –
Granted during period	1,550,000	.50	–	–
Exercised during period	–	–	–	–
Forfeited during period	–	–	–	–
Expired during period	–	–	–	–
Options outstanding –April 30, 2007	1,550,000	.50	5	3,934,172
Granted during period	1,860,000	.62	--	--
Exercised during period	--	--	--	--
Forfeited during period	(250,000)	.50	--	--
Expired during period	–	–	–	–
Options outstanding –April 30, 2008	3,160,000	.56	4.54	5,214,990
Granted during period	1,665,000	.12	5.00	172,150
Exercised during period	–	–	–	--
Forfeited during period	–	–	–	–
Expired during period	–	–	–	–
Options outstanding –April 30, 2009	4,825,000	.42	5.00	5,387,140
Granted during period	410,000	.15	4.68	52,617
Exercised during period	--	--	--	--
Forfeited during period	(1,300,000)	--	--	(1,532,051)
Expired during period	--	--	--	--
Options outstanding-April 30, 2010	3,935,000	.39	3.37	3,907,705
Granted during period	200,000	.15	4.70	28,000
Exercised during period	--	--	--	--
Forfeited during period	--	--	--	--

Expired during period	--	--	--	--
Options outstanding-April 30, 2011	4,135,000	.37	2.49	3,935,705
Granted during period	--	--	--	--
Exercised during period	--	--	--	--
Forfeited during period	--	--	--	--
Expired during period	(1,550,000)	--	--	(573,500)
Options outstanding April 30, 2012	2,585,000			3,362,205,
Granted during period	--	--	--	--
Exercised during period	--	--	--	--
Forfeited during period	--	--	--	--
Expired during period	--	--	--	--
Exercisable at April 30, 2013	2,585,000	$ 0.37	0.49	$ 3,362,205

The weighted average grant date intrinsic value of options granted during the years ended April 30, 2011 and 2010 was $0.15 and $0.15 per share respectively. The weighted average remaining contractual term is 2.49 years for all options outstanding.

As of April 30, 2011, and 2010 the options are fully vested. Due to the limitations on exercising the options, and the fact that they would expire if the employee resigns or is terminated for cause, the Company has treated the options as if they vest over a two-year period. There have been no options exercised under the terms of the Plan.

A summary of warrants activity for the periods ending is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Warrants outstanding – May 1, 2007	–	$ –	–	$ –
Issued during period	1,000,000	.75	3.	–
Exercised during period	–	–	–	–
Forfeited during period	–	–	–	–
Expired during period	–	–	–	–
Warrants outstanding –April 30, 2008	1,000,000	75	3	--
Issued during period	1,000,000	.75	3	--
Exercised during period	--	--	--	--
Forfeited during period			--	--
Expired during period	–	–	–	–
Warrants outstanding –April 30, 2009	2,000,000	.75	3	--
Issued during period	6,300,000	.15	4.33	--
Exercised during period	–	–	–	--
Forfeited during period	–	–	–	–
Expired during period	–	–	–	–
Warrants outstanding –April 30, 2010	8,300,000	.42	5.00	--
Issued during period	11,873,033	.15	4.67	--
Exercised during period	–	–	–	--
Forfeited during period	–	–	–	–
Expired during period	(1,000,000)	.75	–	–
Exercisable at April 30, 2011	19,173,033	$ 0.15	3.36	--
Issued during period	--	--	--	--

Exercised during period	–	–	–	--
Forfeited during period	–	–	–	–
Expired during period	--	--	–	–
Exercisable at April 30, 2012	19,173,033	$ 0.15	3.36	--
Issued during period	--	--	--	--
Exercised during period	–	–	–	--
Forfeited during period	–	–	–	–
Expired during period	--	--	–	–
Exercisable at April 30, 2013	19,173,033	$ 0.15	3.36	--

9. INCOME TAXES:

Deferred tax assets (liabilities) are comprised of the following:

	April 30	
	2013	2012
Deferred tax assets:		
Stock-based compensation	$ 0	$ 0
Deferred revenue and salaries	0	0
Benefit of net operating loss	29,000	253,000
Net operating loss and credit carryforwards		
Total deferred tax assets	4,184,000	4,155,000
Valuation allowance	(4,184000)	(4,155,000)
	$ –	$ –

A reconciliation of our effective tax rate to the federal statutory tax rate of 35% is as follows:

	April 30	
	2013	2012
Expected benefit at federal statutory rate	(35%)	(35%)
State taxes net of federal benefit	--	--
Permanent differences	.04%	.12%
Change in rate	--	--
Other-true up rate	--	--
Change in valuation allowance	34.96%	34.88%
	–	–

The Federal net operating loss (NOL) carryforward of approximately $5,690,000 as of April 30, 2013 expires on various dates through 2033. Internal Revenue Code Section 382 places a limitation on the amount of taxable

income which can be offset by NOL carryforwards after a change in control (generally greater than 50% change in ownership) of a loss corporation. Generally, after a change in control, a loss corporation cannot deduct NOL carryforwards in excess of the Section 382 limitation. Due to these "change in ownership" provisions, utilization of NOL carryforwards may be subject to an annual limitation regarding their utilization against taxable income in future periods. We have not performed a Section 382 analysis. However, if performed, Section 382 may be found to limit potential future utilization of our NOL carryforwards.

We have established a full valuation allowance against the deferred tax assets because, based on the weight of available evidence including our continued operating losses, it is more likely than not that all of the deferred tax assets will not be realized. Because of the full valuation allowance, no income tax expense or benefit is reflected on the statement of operations.

We have identified no significant uncertain tax positions as of April 30, 2013 or 2012. The cumulative effect of adopting ASC 740 has not resulted in a liability on the balance sheet. The total amount of unrecognized tax benefits as of the date of adoption was zero. No interest and penalties related to uncertain tax positions were accrued as of April 30, 2013 or 2012.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions and is no longer subject to examinations by tax authorities for tax years before 2007.

10. Subsequent Events:

Management has evaluated all activity of the Company and concluded no subsequent events have occurred that would require disclosure.