ENERGTEK INC.
CONSOLIDATED BALANCE SHEETS

	Note	U.S. dollars As of December 31 2015	2014
		UNAUDITED	AUDITED
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		389,849	609,375
Short-term bank deposits		12,194	12,181
Trade receivables		749,628	2,229,822
Inventories		11,789	-
Other accounts receivables	3	5,445,799	4,684,417
		6,609,259	7,535,795
PROPERTY AND EQUIPMENT, NET	4	1,625,735	1,982,483
LONG TERM ASSETS:			
Deposits		14,143	14,160
Intangible assets		461	1,157
Long term loans to associates		400,281	205,620
		414,885	220,937
TOTAL ASSETS		**8,649,879**	**9,739,215**
LIABILITIES AND STOCKHOLDER EQUITY			
CURRENT LIABILITIES			
Short term credit from financial institutions		2,680,301	2,797,088
Accounts payable and accrued liabilities	5	928,225	709,017
Accounts payable – related parties		317,042	212,260
Suppliers		851,926	1,012,897
TOTAL CURRENT LIABILITIES		4,777,494	4,731,262
NON CURRENT LIABILITIES			
Loans from others	6	1,653,455	2,300,657
TOTAL NON CURRENT LIABILITIES		1,653,455	2,300,657
STOCKHOLDER EQUITY			
Preferred Stock: $0.001 par value; 5,000,000 authorized, none issued and outstanding as of Dec 31, 2015and Dec 31, 2014			
Common Stock: $0.001 par value; Authorized 750,000,000 as of Dec 31, 2015 and Dec 31, 2014. Issued and outstanding: 377,486,271 and 197,567,514 as of Dec 31, 2015 and Dec 31, 2014 respectively.		377,486	197,568
Additional Paid-in Capital		48,737,479	39,149,710
Reserve from transactions with non-controlling interests		210,207	1,084,969
Capital Fund for translation differences of foreign activity		(48,570)	(21,110)
Non-controlling interests		1,390,611	1,525,810
Accumulated deficit		(48,448,283)	(39,229,651)
TOTAL STOCKHOLDER EQUITY		2,218,930	2,707,296
TOTAL LIABILITIES AND STOCKHOLDER EQUITY		**8,649,879**	**9,739,215**

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

ENERGTEK INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	U.S. dollars Year ended December 31 2015	2014
		UNAUDITED	AUDITED
Revenues		$ 7,415,042	$ 10,886,413
Cost of revenues	9	(7,358,360)	(9,036,247)
Gross profits		56,682	1,850,166
Operating expenses:			
Research and development expenses	10	(359,742)	(238,777)
Selling and general expenses	11	(8,883,457)	(4,231,932)
Marketing expenses		(75,658)	(278,089)
Total operating expenses		(9,318,857)	(4,748,798)
Net loss from operations		(9,262,175)	(2,898,632)
Financial expenses, net		(226,851)	(282,561)
Equity in affiliates		(58,270)	(593,566)
Net other income		(9,982)	-
Net loss before tax		(9,557,278)	(3,774,759)
Income Tax		(877)	(133,588)
Total loss		(9,558,155)	(3,908,347)
Translation differences		(97,899)	(56,649)
Total comprehensive income (loss)		(9,656,054)	(3,964,996)
Profit (loss) attributable to:			
Owners of the parent		(9,218,630)	(4,437,377)
Non-controlling interest		(339,525)	529,030
		(9,558,155)	(3,908,347)
Total comprehensive income (loss) attributable to:			
Owners of the parent		(9,246,091)	(4,453,267)
Non-controlling interest		(409,963)	488,271
		(9,656,054)	(3,964,996)

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

ENERGTEK INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common stock	Share capital	Additional paid-In capital	Reserve from transactions with non-controlling interests	Capital fund for exchange translation differences	Retained deficit	Non-controlling interests	Total
	Number	Amount U.S. dollars						
Balance as of December 31, 2012	111,853,771	111,854	31,225,598	662,645	(2,407)	(32,712,880)	241,098	(474,092)
Net loss for the year 2013	-	-	-	-	(2,813)	(2,079,394)	692,452	(1,389,755)
Issuance of common stock	11,180,000	11,180	871,770	-	-	-	-	882,950
Issuance of common stock upon exercise of options	33,258,698	33,258	299,328	-	-	-	-	332,586
Stock based compensation	-	-	974,540	-	-	-	-	974,540
Loss of control of investment in equity	-	-	453,676	(453,676)	-	-	103,991	103,991
Changes in ownership interests in subsidiaries that do not involve in loss of control	-	-	-	876,000	-	-	-	876,000
Balance as of December 31, 2013	156,292,469	156,292	33,824,912	1,084,969	(5,220)	(34,792,274)	1,037,541	1,306,220
Net loss for the year 2014	-	-	-	-	(15,890)	(4,437,377)	488,269	(3,964,998)
Issuance of common stock	34,249,547	34,250	3,389,001	-	-	-	-	3,423,251
Issuance of common stock upon exercise of options	7,025,498	7,026	63,230	-	-	-	-	70,256
Stock based compensation	-	-	1,682,567	-	-	-	-	1,682,567
Discount on debt instrument	-	-	190,000	-	-	-	-	190,000
Balance as of December 31, 2014	197,567,514	197,568	39,149,710	1,084,969	(21,110)	(39,229,651)	1,525,810	2,707,296
Net loss for the year 2015	-	-	-	-	(27,460)	(9,218,632)	(409,961)	(9,656,053)
Issuance of common stock	173,868,757	173,868	6,917,948	-	-	-	-	7,091,816
Issuance of common stock upon exercise of options	50,000	50	450	-	-	-	-	500
Stock based compensation	-	-	2,075,371	-	-	-	-	2,075,371
Changes in ownership interests in subsidiaries	6,000,000	6,000	594,000	(874,762)	-	-	274,762	-
Balance as of December 31, 2015	377,486,271	377,486	48,737,479	210,207	(48,570)	(48,448,283)	1,390,611	2,218,930

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

ENERGTEK INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	U.S. dollars Year ended December 31	
	2015	**2014**
	UNAUDITED	AUDITED
Cash flows from operating activities:		
Net loss	(9,558,155)	(3,908,347)
Adjustments for:		
Depreciation and amortization	543,736	543,514
Accumulated interest on loans and linkage differences	19,858	28,672
Interest income from investment in equity	(51,551)	(30,336)
Stock based compensation	2,075,371	1,682,567
Losses from investment in equity	58,270	593,566
Effect of exchange rate changes from related parties and others, net	(3,626)	29,943
Decrease (increase) in trade receivables	1,272,310	689,781
Decrease in inventory	(11,993)	3,764
Decrease (increase) in other accounts receivables	101,895	1,206,821
Decrease (increase) in loan to related parties, net	(1,176,077)	(4,529,052)
Increase in accounts payable and accrued liabilities	198,795	13,545
Discount on convertible bonds	58,569	84,661
Net cash flows from operating activities	(6,472,598)	(3,590,901)
Cash Flows to investing activities:		
Decrease of deposits	4	8,188
Purchase of property and equipment	(191,130)	(165,404)
Net cash from investing activities	(191,126)	(157,216)
Cash flows from financing activities:		
Issuance of common stock	6,615,126	2,886,126
Proceeds from bank borrowings, net	(100,140)	590,938
Net proceeds from long-term debt	(61,000)	59,980
Issuance of convertible bond	-	760,000
Net cash from financing activities:	6,453,986	4,297,044
Increase (decrease) in cash and cash equivalents	(209,738)	548,927
Cash and cash equivalents at the beginning of the year	609,375	71,228
Exchange differences on balances of cash and cash equivalents	(9,788)	(10,780)
Cash and cash equivalents at the end of the year	389,849	609,375

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

ENERGTEK INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General

A. Energtek Inc. ("Energtek", "us", "we" or the "Company").
The Company trades via the OTC Markets under the symbol "EGTK". The Company is domiciled in Nevada and operates on a calendar year-end fiscal year. Corporate headquarters are in the offices of Energtek USA, Inc., a wholly-owned subsidiary.

The Company was formed in 2006 to engage in the field of natural gas technology with an emphasis on NG transportation. During 2007 and 2008, the Company worked on multiple projects in Southeast Asia, including an accreditation by the government of the Philippines to utilize the Company's ANG technology in transportation vehicles and a joint venture in India to create a virtual pipeline. Both efforts were abandoned due to the financial crises of 2008-2009. Following the crisis, the Company reevaluated its business strategy and started an operation in Eastern Europe, taking advantage of the accumulated knowledge base and technologies. Most notably, in 2012, the Company signed a 10 year agreement with BH Gas, the national gas transmission company of Bosnia and Herzegovina and a complementary 10 year contract with Aluminij d.d. Mostar, one of the largest aluminum producers in Europe. The agreements were endorsed to Energtek Herz d.o.o.

The Company had research & development operations in Israel, and it was foreseen that also transportation activities could develop in Israel. During 2015 the Company regained the full control of the subsidiary Energtek Products Ltd ("EnProd") . On June 24, 2015 The Company reached an agreement with Black Velvet Ltd., the holder of 49% of the shares of EnProd, to purchase those shares in exchange for a total of 6,000,000 units of the Company's securities (payment to Black Velvet of $600,000 that Black Velvet agreed to invest in Energtek Inc at $0.10 per share). Each unit was composed by one restricted share of common stock and a warrant for one share of common stock exercisable until June 30, 2017 at the price of $0.10. In addition if a set of conditions regarding commercial developments of GATAL takes place the company will pay Black Velvet Ltd $270,000. As of November 15, 2015 it was determined by the parties that the terms were not fulfilled and the obligation of $270,000 is not in place. However, Black Velvet indicated that since there are some contacts taking place from time to time, they reserve the right to revive the claim again in the future. As of the start of 2016 the indications were that it will be very difficult to perform the transportations activities.

During this same period, with depressed pricing for Natural Gas ("NG") in the United States continuing into 2014, Management recognized an opportunity to bring its technology and designs to areas of the U.S. that were underserved by NG pipelines. This led to the formation of the Company's U.S. business development, marketing and research efforts.

The company is developing the infrastructure for the delivery of NG to the large and previously inaccessible market for small industrial fuel consumers in the United States comprised of the following markets: residential, agricultural and small to medium sized businesses.

Note 1 – General (cont.)

NG is a desirable replacement for substantially more expensive and less environmentally-friendly fuels such as propane and diesel. The Company's proprietary technologies and designs create a "virtual pipeline" by allowing cost effective mobile delivery to a large customer base that was previously denied access to NG delivery.

Management is presently poised to construct filing stations that will compress NG for delivery to markets that have indicated an interest in their product.

The management, while analyzing the map of opportunities and threats in the United States and abroad, decided to concentrate the effort in the United States, while reducing the operations abroad. In 2016 the management has taken active steps to sell the activities in Bosnia, and has signed in March 2016 an agreement to sell its participation in Energtek AL LLC, the subsidiary holding the activities in Bosnia (see Note 13 below). A few days before the signing of the agreement for selling the membership in Energtek AL LLC, this last company entered into a conditional redemption agreement with an entity that held 2.5% of the membership.

The management has also taken active steps to reduce the activities in Israel, especially to dissociate from Gatal (Natural Gas for Israel) Ltd, the company that was intended for performing the transportation activities.

Energtek is established as a parent company with operating subsidiaries. As of 31, December 2015 , Energtek operated through three subsidiaries: (i) Energtek AL, LLC (ii) Energtek USA, Inc. and (iii) Energtek Products Ltd.

Holding Structure as of December 31, 2015

Energtek Inc. (Parent)

a. Energtek AL, LLC (51% owned)
    i. Energtek Herz, d.o.o. (55% owned by Energtek AL LLC)
b. Energtek USA, Inc. (100% owned)
    i. Energtek North Country, Inc. (100% owned)
c. Angstore Technologies Ltd. (100% owned)
d. Energtek Products, Ltd. (100% owned)
    i. Gatal (Natural Gas for Israel) Ltd (35.5% owned by Energtek Products Ltd.)

Energtek AL, LLC (51% owned) was established to hold the Company's assets and operations in Bosnia. Energtek AL, LLC owned as of December 31, 2015, 55% of Energtek Herz, d.o.o. which holds contracts and manages operations in Bosnia.

Energtek USA, Inc. ("Energtek USA"), a fully owned subsidiary, was established to hold the Company's assets and operations in the United States. Energtek USA owned as of December 31, 2015, 100% of Energtek North Country, Inc. , this last company holding land in Swanton, VT.

Energtek Products, Ltd. ("EnProd"), 100% owned as of December 31, 2015, was established to hold the Company's assets and operations in Israel. EnProd owned as of December 31, 2015 35.5% of Gatal (Natural Gas for Israel) Ltd. (hereinafter "GATAL").

B. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered losses from operations and negative cash flows from operations since inception. For the year ended December 31, 2015, the net loss attributable to the Company was $9,558,155 and the negative cash flows from operations were $6,472,598. Despite its negative cash flows, the Company has been able to secure financing to support its operations to date, based on share issuances and loans. The Company plans to seek additional funds from equity issuances in order to continue its operations and to leverage its business. The consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Note 2 – Summary of significant accounting policies

Basis of presentation and principles of consolidation:

Energtek Inc. and its subsidiaries and affiliated companies (together referred to as "We", "Our ", "Energtek" or the "Company") consolidated financial statements include the accounts of all majority owned, controlled subsidiaries. All intercompany accounts and transactions have been eliminated. The Company has evaluated events or transactions through the date of issuance of this report in conjunction with the preparation of these consolidated financial statements.
The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Use of estimates:

In preparing financial statements in accordance with accounting principles generally accepted in the United States, management makes informed judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. Management evaluates its estimates and related assumptions regularly, including those related to the value of properties and equipment; intangible assets; asset retirement obligations; litigation reserves; environmental liabilities; liabilities, and costs; income taxes; and fair values. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates.

Fair value measurements:

The Company measures fair value and discloses fair value measurements for financial and non-financial assets and liabilities. Fair value represents the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants. This price is commonly referred to as the "exit price." Fair value measurements are classified according to a hierarchy that prioritizes the inputs underlying the valuation techniques. This hierarchy consists of three broad levels:

Level 1 – Inputs consist of unadjusted quoted prices in active markets for identical assets and Liabilities and have the highest priority. The fair value hierarchy gives the highest Priority to Level 1 inputs

Note 2 – Summary of significant accounting policies (Cont.)

Level 2 – Inputs consist of quoted prices that are generally observable for the asset or liability. Common examples of Level 2 inputs include quoted prices for similar assets and Liabilities in active markets or quoted prices for identical assets and liabilities in market not considered to be active.

Level 3 – Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. Determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value.

Cash and cash equivalents:

The Company considers all highly liquid debt securities purchased with original or remaining maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Restricted and designated cash:

Restricted cash deposits are held in favor of financial institutions and represent deposits with original maturity of longer than three months.

Allowance for doubtful accounts:

From time to time, whenever the Company considers it appropriate, the Company establishes provisions for losses on accounts receivable if it determines that it will not collect all or part of the outstanding balance. The Company regularly reviews collectability and establishes or adjusts the allowance as necessary by using both the specific identification method and/or general allowance as a percentage of outstanding accounts receivable balances.

Property and equipment:

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided for our assets over the estimated depreciable lives of the assets using the straight line method.
We depreciate our operational assets over their depreciable lives. When an operational asset is stacked or taken out of service, we review its physical condition, depreciable life and ultimate salvage value to determine if the asset is no longer operable and whether the remaining depreciable life and salvage value should be adjusted. When we scrap an asset, we accelerate the depreciation of the asset down to its salvage value. When we dispose of an asset, a gain or loss is recognized

As of December 31, 2014, the estimated useful lives of our asset classes are as follows:

	Useful Life - Years
Machinery, equipment and other	5
Computers	3
Motor vehicles	5
Furniture and office equipment	5

Note 2 – Summary of significant accounting policies (Cont.)

A long lived asset or asset group should be tested for recover ability whenever events or changes in circumstances indicate that its carrying amount may not be recover able.
Events or changes in circumstance that cause us to evaluate our fixed assets for recover ability and possible impairment may include changes in market conditions.

Concentrations of credit risk:

Through our wholly- owned subsidiary, we sell to one customer almost all of our total sales. If the aluminum industry in general was adversely affected, or specific local conditions influencing our customer adversely affect our customer, the ability of the Company's subsidiary to collect the debts of the customer could be adversely affected.

Revenue recognition:

Revenues from the sale of natural gas are recognized when the invoice to our customer is issued, following gas delivery, and collectability of the revenue is reasonably assured.
The Company follows the sales method of accounting for recording gas revenues. Under this method, the company records revenue based on the actual sale of volumes to purchasers.
We present our revenues net of any sales taxes collected by us from our customers that are required to be remitted to local or state governmental taxing authorities.

Legal contingencies:

When estimating our liabilities related to litigation, we take into account all available facts and circumstances in order to determine whether a loss is probable and reasonably estimable.

Non-controlling interests:

Non-controlling interests represent third- party owner ship in the net assets of the Company's consolidated subsidiaries and are presented as a component of equity.

Note 2 – Summary of significant accounting policies (Cont.)

Recently issued accounting pronouncements:

Recently Issued Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 201409, Revenue from contracts with customers (Topic 606). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply a five step methodology: (1) identify the contract(s) with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price;(4) allocate the transaction price to the performance obligations in the contract; And (5) recognize revenue when (or as) the entity satisfies a performance obligation. An entity should apply the amendments in this update using one of the following two methods: (1) retrospectively to each prior reporting period presented (along with some practical expedients); or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. The amendments in this update will be effective prospectively for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. We are currently evaluating the impact of the adoption of this update on our consolidated financial statements. In August 2014, the FASB issued ASU No. 201415, "Presentation of Financial statements – Going concern (subtopic 20540), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU 2014154"). The new standard provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. ASU 201415 applies prospectively to annual periods ending after December 15, 2016, and to annual periods thereafter. Early application is permitted. The Company is still assessing whether this adoption will have an effect on its consolidated financial statements. In April 2015, the FASB issued ASU 201503, "Simplifying the Presentation of Debt Issuance Costs", requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability in a manner consistent with the treatment for debt discounts. The amendments in this update do not affect the recognition and measurement guidance for debt issuance costs. In addition, the ASU requires that the amortization of debt issuance costs be reported as interest expense. The standard is effective for fiscal years and the interim periods within those fiscal years beginning on or after December 15, 2015. ASU 201503 should be applied retrospectively to all prior periods presented in the financial statements, subject to the disclosure requirements for a change in an accounting principle. Early adoption is permitted for financial statements that have not been previously issued. The Company does not expect material impacts on its consolidated financial statements upon adoption.

Warrants and stock issued for services

The value of stock issued for services is based on management's estimate of the fair value of the Company's stock at the date of issue or the fair value of the services received, whichever is more reliably measurable in accordance with EITF 96-18. The fair value of each stock option is estimated on the date of balance using the Black & Scholes option pricing model that uses the following assumptions: Expected term is based on the Company's management estimate for future behavior; Expected volatility is based on the historical volatility of share prices for similar companies over a period equal to, or greater than, the expected term; The risk free rate is based on the U.S. Treasury constant maturity for a term consistent with the expected term of the award (or weighed average of the two closest available bonds), as in effect at the date of grant.

Note 3 – Other accounts receivables

	As of December 31,	
	2015	2014
Vat Refund Receivable	$ 64,538	$ 71,158
Prepaid Expenses	328	63,486
Option redemption debt	378,797	425,355
Related Parties	4,996,039	4,113,854
Other Debtors	6,097	10,564
	$ 5,445,799	$ 4,684,417

More than 99% of the Related Parties amount is a loan granted to the minority shareholder of Energtek Herz d.o.o, on the basis of bank loans guaranteed by this same shareholder.

Note 4 – Property and equipment, net

Comprise:	As of December 31,	
	2015	2014
Machinery, equipment and other	$ 2,550,848	$ 2,535,895
Advances on behalf of fixed Assets	26,606	207,652
Real estate property	353,063	-
Motor vehicles	184,187	234,477
Computers	21,102	19,628
Total Property and equipment	3,135,806	2,997,652
Accumulated depreciation and amortization	(1,510,071)	(1,015,169)
Property and equipment, net	$ 1,625,735	$ 1,982,483

Note 5 – Accounts payable and accrued liabilities

Comprise:	As of December 31,	
	2015	2014
Employees and Employee institutions	$ 65,697	$ 37,032
Tax and social security payments	164,147	190,541
Other payables	698,381	481,444
	$ 928,225	$ 709,017

Note 6 – Loan from others

	As of December 31,	
	2015	2014
Convertible Loans	$ 485,230	$ 667,224
Non-Convertible Loans	500,594	586,805
Loans from Banks *	67,816	377,989
Loans from related parties	599,815	668,639
	$ 1,653,455	$ 2,300,657

* Loans from Banks refer to a loan from Raiffeisen Banka d.o.o which is jointly guaranteed by both Primorka d.o.o and Energtek Inc.

Note 7– Stockholders equity

The Company financed its activities through funds invested in the Company, either for shares or for bundles of shares and warrants, loans to the Company, convertible loans to the Company.
The Company intends to continue financing itself with the same tools.

During 2015 the Company has established contacts with Investment Bankers in order to enlarge the fund-raising basis.

Note 8 – Stock based compensation

Stock Options

Stock Based Compensation granted to directors, officers, employees and suppliers of the Company:

The total amount of options, with exercise prices varying between $0.06 and $0.20, granted as stock based compensation during the fiscal year ended December 31, 2015 was 181,382,500.

Note 9 – Cost of revenues

	Year ended December 31,	
Comprise:	**2015**	**2014**
Cost of revenues	$ 6,818,932	$ 8,495,589
Depreciation	539,428	540,658
	$ 7,358,360	$ 9,036,247

Note 10 – Research and development expenses

	Year ended December 31,	
Comprise:	**2015**	**2014**
Salary	$ 79,371	$ 50,467
Shared based compensation	270,054	170,554
Vehicle expenses	10,317	17,756
	$ 359,742	$ 238,777

Note 11 – Selling and general expenses

	Year ended December 31,	
Comprise:	**2015**	**2014**
Salary	$ 659,072	$ 676,539
Share based compensation	7,190,377	2,367,462
Professional services	564,525	590,068
Rent and office maintenance	230,447	340,482
Depreciation	3,607	1,950
Vehicle expenses	27,432	33,254
Office & others	207,997	222,177
	$ 8,883,457	$ 4,231,932

Note 12 – Commitments and contingencies

Office of the Chief Scientist Grants and Technological Incubator A.T.I

Our wholly-owned subsidiary Angstore Technologies Ltd 's ("Angstore"), research and development efforts have been partially financed through grants from the Office of the Chief Scientist of the Israeli Ministry of Industry and Trade (the "OCS") which have been got by the means of the Ashkelon Technological Incubator A.T.I ("the ATI"), in Ashkelon, Israel. In return for the OCS's financing, the Company is committed to pay, by the means of the ATI, royalties to the Israeli Government at the rate of 3% for each of the first three years of revenues related to the technology developed with the support of the OCS, at the rate of 4% for each of the next three years (starting from the fourth year)and , at the rate of 5% from the seventh year onwards, up to 100% of the amount of the grants received. There are no future performance obligations related to the grants received from the OCS. During the years 2003-2005 Angstore received from the OCS office a total cumulative amount of 267,799$. No amounts were received in other years, thus the mentioned amount is the total amount received by the Company.

Note 13 – Events following the Financial Reports date

Business Activities

In the first quarter of 2016 the management of the Company decided to focus in the development of the activities in the United States and reduce the activities outside the United States.

Following the decision, the management of the Company has taken active steps to sell the activities in Bosnia, and has signed in March 2016 a conditional agreement to sell its participation in Energtek AL LLC, the subsidiary holding the activities in Bosnia.

The management has also taken active steps to reduce the activities in Israel, especially to dissociate from Gatal (Natural Gas for Israel) Ltd, the company that was intended for performing the transportation activities.

For developing the activities in the United States the Company has entered into agreements with an investment boutique providing investment banking services and with a prestigious Investment Bankers entity.

Changes in Holdings

The Company has signed in March 2016 an agreement to sell its participation in Energtek AL LLC, the subsidiary holding the activities in Bosnia. As part of this transaction, a few days before the signing of the agreement for selling the membership in Energtek AL LLC, this last company entered into a conditional redemption agreement with an entity that held 2.5% of the membership.

In the first quarter of 2016 2,200,000 warrants issued on November 12, 2015 were cancelled.
Additional 250,000 common shares were issued.