ENERGTEK INC.
CONSOLIDATED BALANCE SHEETS

	Unaudited	
	As of	
	31-Mar-16	**31-Dec-15**
	$	**$**
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	113,783	365,876
Short-term bank deposits	26,526	12,194
Other accounts receivables	2,786	416,054
Assets with respect to discontinued operations	6,398,562	7,080,608
Total current assets	6,541,657	7,874,732
PROPERTY AND EQUIPMENT, NET	359,435	360,723
OTHER ASSETS	-	1,046,631
TOTAL ASSETS	6,901,092	9,282,086
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and Accrued Liabilities	852,281	816,010
Current Liabilities- Loans from others	804,082	545,088
Liabilities with respect to discontinued operations	4,021,997	5,276,026
Total current liabilities	5,678,360	6,637,124
LONG TERM LOANS	475,980	440,737
TOTAL LIABILITIES	6,154,340	7,077,861
STOCKHOLDERS' EQUITY		
Preferred Stock	-	-
Common Stock $0.001 par value	377,736	377,486
Additional Paid-in Capital	49,398,261	48,737,479
Reserve from transactions with non-controlling interests	210,207	210,207
Capital Fund for translation differences	(48,570)	(48,570)
Minority's interest	1,016,106	1,375,906
Accumulated Deficit	(50,206,988)	(48,448,283)
TOTAL STOCKHOLDERS' EQUITY	746,752	2,204,225
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	6,901,092	9,282,086

Common Stock $0.001 par value	Number of shares	
Authorized	750,000,000	750,000,000
Issued and outstanding	377,735,680	377,486,271

ENERGTEK INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Unaudited	
	Quarter ended	
	31-Mar-16	**31-Mar-15**
	$	**$**
Revenue	-	-
Cost of revenue	-	-
Gross profit	-	-
Operating expenses		
Research and development	13,560	24,296
Selling, general and administrative	988,625	466,042
Marketing	-	5,097
Total operating expenses	1,002,185	495,435
Operating loss	(1,002,185)	(495,435)
Interest and other financing income (expenses), net	(4,897)	83,871
Operating loss inclusive of interest expense before minority's interest	(1,007,082)	(411,564)
Minority's interest	(206,651)	49,473
Operating loss, net of minority's interest	(1,213,733)	(362,091)
Equity loss in unconsolidated subsidiaries	-	(14,879)
Net loss attributable to continuing operations, net of currency conversion	(1,213,733)	(376,970)
Nonrecurring events:		
Write-off of amounts due from stock options holders	(395,913)	-
Write-off of an interest in a nonconsolidated entity	(68,020)	-
Discontinued operations with respect to a majority owned subsidiary	(81,040)	(84,123)
Net loss	(1,758,705)	(461,093)
Weighted Average number of outstanding common shares	377,735,680	197,567,514
Net loss per common share	$ (0.005)	$ (0.002)

ENERGTEK INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited								
	Number of shares				Reserve from transactions with non-controlling interest	Capital fund for translation differences	Minority's Interest	Deficit	Total
	Authorized	Issued and Outstanding	Share Capital	Paid in Capital					
			$	$	$	$	$	$	$
Balance as of 01-01-14	750,000,000	164,754,547	156,293	34,218,066	-	-	-	(33,639,387)	734,972
Changes in the year ended 12-31-14:									
Issuance of shares	-	32,812,967	41,275	4,477,968	-	-	-	-	4,519,243
Reserve from transactions with non-controlling interests	-	-	-	-	1,084,969	-	-	-	1,084,969
Increase in Minority's Interest	-	-	-	-	-	-	1,525,810	-	1,525,810
Loss	-	-	-	-	-	-	-	(5,157,699)	(5,157,699)
Balance as of 12-31-14	750,000,000	197,567,514	197,568	38,696,034	1,084,969	-	1,525,810	(38,797,086)	2,707,295
Changes in the year ended 12-31-15:									
Issuance of shares	-	179,918,757	179,918	10,013,287	-	-	-	-	10,193,205
Reserve from transactions with non-controlling interests	-	-	-	-	(874,762)	-	-	-	(874,762)
Capital Fund for translation differences	-	-	-	-	-	(48,570)	-	-	(48,570)
Decrease in Minority's Interest	-	-	-	-	-	-	(149,904)	(14,706)	(164,610)
Loss	-	-	-	-	-	-	-	(9,608,333)	(9,608,333)
Balance as of 12-31-15	750,000,000	377,486,271	377,486	48,737,479	210,207	(48,570)	1,375,906	(48,448,283)	2,204,225
Changes in the quarter ended 03-31-16:									
Issuance of shares	-	250,000	250	220,351	-	-	-	-	220,601
Issuance of share capital and granting of stock options	-	-	-	440,431	-	-	-	-	440,431
Decrease in Minority's Interest	-	-	-	-	-	-	(359,800)		(359,800)
Loss	-	-	-	-	-	-	-	(1,758,705)	(1,758,705)
Balance as of 03-31-16	750,000,000	377,736,271	377,736	49,398,261	210,207	(48,570)	1,016,106	(50,206,988)	746,752

ENERGTEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Unaudited	
	Quarter ended	
	31-Mar-16	**31-Mar-15**
	$	**$**
Cash Flows from (used in) Operating Activities:		
Net loss	(1,758,705)	(461,093)
Adjustments for:		
Depreciation and Amortization	1,288	26,220
Net change in:		
Assets and liabilities with respect to discontinued operations	(571,983)	(61,198)
Accounts Receivable and Prepaid Expenses	413,268	47,055
Other assets	1,046,631	(1,254,029)
Accounts Payable a Accrued Liabilities	36,271	225,150
Amounts due to service providers	919,777	1,189,553
Interest expense	35,243	-
Net cash flows from (used in) Operating Activities	121,789	(288,342)
Cash Flows from Financing Activities:		
Issuance of common stock	250	-
Minority's interest	(359,800)	(49,472)
Net cash flows from Financing Activities	(359,550)	(49,472)
Decrease in Cash	(237,761)	(337,814)
Cash at Beginning of Period	378,070	609,477
Cash at End of Period	140,309	271,663

Energtek Inc.
Unaudited Consolidated Financial Statements
As of and for the quarter ended March 31, 2016

As described, more extensively, in the Disclosure Statement submitted for the first quarter of 2016:

[a] The Company decided on a shift towards concentrating in the activities to be developed in the United States. Within this policy, the Board decided to disengage from the activities related to the subsidiary in Bosnia and Herzegovina ("**B&H**"), and to sell the activities related to B&H. Therefore, the financial reports were prepared on the basis of assets held for sale.

In addition, the sale process was negatively influenced towards the end of the first quarter by local influences that resulted in the main client, Aluminij d.o.o, not complying with the signed contract. This change, which has not been solved as of the day of the report, has impaired the sales activities.

[b] The management of the Company decided to focus in the development of the activities in the United States and in this context the management decided to dissociate from the holding in the Israeli company Gatal (Natural Gas for Israel) Ltd. (hereinafter "GATAL"). A commitment was created in the context of financing provided to our subsidiary, for our subsidiary to dispose the shares of GATAL. As of March 31, 2016, the Company still formally held 35.5% holding in GATAL. The Company considered it appropriate to reflect in the consolidated financial statements the impairment of whatever residual value the holding in GATAL has, together with the impairment of a material balance due from Gatal accumulated towards the Company since it was established in 2006 as a subsidiary of the Company. The impairment is about four hundred thousand dollars.

[c] The Company granted towards the end of year 2013 - start of year 2014, loans for exercise of options, guaranteed by the shares issued. This matter has been recently reviewed with professional advisors. Being the return of these loans uncertain the Company decided to impair the value of the loans in the financial reports. The impairment is about three hundred ninety thousand dollars.

[d] 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. 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.

[e] The Company is involved in an effort to provide fully audited reports. In the context of this effort the Company has released already the audited annual figures for 2014, and is currently aiming to finalize the audit of year 2015. In the context of the audit, changes were introduced, modifying the figures reported for previous periods. The present report reflects the most updated financial data. Thus comparative figures appearing in the present report may differ from previously reported figures for the same periods. Since the audit is currently taking place; further changes to the published figures might take place.