



**Quarterly Report
For the Third Quarter Ended September 30, 2011**

W2 Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada	20-1740321
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
345 Woodlawn Rd. W Guelph , Ontario N1H 1G3	N1L 1B2
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (519) 341-4776

W2 ENERGY, INC.
Quarterly Report for the Second Quarter ended June 30, 2011

Explanatory Note

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning possible or assumed future results of operations of the Company set forth under the heading “Management’s Discussion and Analysis of Financial Condition or Plan of Operation.” Forward-looking statements also include statements in which words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “consider” or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. The Company’s future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 – ISSUER NAME AND ADDRESS

We were originally incorporated in Nevada on October 12, 2004 as World Wise Technologies, Inc. Our name was changed to W2 Energy, Inc. on December 1, 2004. On December 15, 2004, we acquired 100% of the issued and outstanding common stock of World Wise Technologies, Inc., an Ontario corporation formed in 1987, which was subsequently dissolved. Our address is 345 Woodlawn Road W, Guelph, Ontario N1H 1G3, Canada. Our phone number is (519) 341-4776.

Our Internet websites are www.w2energy.com and www.w2solar.com.

ITEM 2 – SHARES OUTSTANDING

As of November 16, 2011, there were 632,643,241 shares of our common stock issued and outstanding and held by 20 stockholders of record. We believe many of the shares of our common stock are held in “street name” and, therefore, we believe the actual number of shareholders is significantly higher. As of October 11, 2011, the public float for the Company consists of 567,893,241 shares of our Common Stock which are freely tradable.

On November 13, 2007, our Board of Directors approved a new class of preferred stock, consisting of 150,000,000 shares with a par value of \$0.001 per share, known as Class A Preferred Stock. The Preferred Stock has a dividend and liquidation preference to our common stock, has two votes per share on all matters requiring a shareholder vote, and each share is convertible into ten shares of our common stock at the election of the holder thereof. As of November 16, 2011, there are 97,668,333 shares of our Class A Preferred Stock issued and outstanding and held by eight shareholders, two of which are our directors.

On September 23, 2011, our Board of Directors authorized and our shareholders approved a reverse split of our issued and outstanding capital stock, consisting of a 1:100 reverse split of all shares of Common Stock and a 1:10 reverse split of all shares of Preferred Stock. For each fractional share resulting from the reverse split, the shareholder will receive one additional share of stock. The reverse split was submitted to FINRA for its review and approval, and will become effective upon such approval. When the reverse split is effective, the Company will send a notice to each shareholder of record instructing it on how to surrender certificates for pre-split shares and receive certificates for post-split shares.

ITEM 3 – INTERIM FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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W2 ENERGY, INC.
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)
ASSETS

	September 30, 2011	December 31, 2010
CURRENT ASSETS		
Cash	\$ 169,898	\$ 57,710
Accounts receivable	12,089	135,522
Accounts receivable - related parties	500	8,489
Total Current Assets	<u>182,487</u>	<u>201,721</u>
PROPERTY AND EQUIPMENT, net	<u>470,236</u>	<u>575,579</u>
TOTAL ASSETS	<u><u>\$ 652,723</u></u>	<u><u>\$ 777,300</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 302,048	\$ 276,676
Convertible debentures	25,000	25,000
Notes payable	<u>1,029,650</u>	<u>1,027,230</u>
Total Current Liabilities	<u>1,356,698</u>	<u>1,328,906</u>
TOTAL LIABILITIES	<u>1,356,698</u>	<u>1,328,906</u>

STOCKHOLDERS' EQUITY (DEFICIT)

Preferred stock; \$0.001 par value, 250,000,000 shares authorized, 80,787,426 and 77,787,426 shares issued and outstanding, respectively	80,788	77,788
Common stock, \$0.001 par value; 350,000,000 shares authorized; 606,123,791 and 318,103,487 shares issued and outstanding, respectively	606,124	318,104
Additional paid-in capital	19,856,247	19,557,894
Stock subscriptions payable	54,843	54,843
Other comprehensive income	(131,395)	-
Accumulated deficit	<u>(21,170,582)</u>	<u>(20,560,235)</u>
Total Stockholders' Equity (Deficit)	<u>(703,975)</u>	<u>(551,606)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u><u>\$ 652,723</u></u>	<u><u>\$ 777,300</u></u>

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

W2 ENERGY, INC.
(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		From Inception of the Development Stage on October 1, 1992 Through September 30,
	2011	2010	2011	2010	2011
REVENUES	\$ -	\$ 7,088	\$ -	\$ 21,265	\$ 284,101
COST OF GOODS SOLD	<u>-</u>	<u>500</u>	<u>28,352</u>	<u>1,499</u>	<u>30,351</u>
GROSS PROFIT	<u>-</u>	<u>6,589</u>	<u>(28,352)</u>	<u>19,766</u>	<u>253,750</u>
OPERATING EXPENSES					
Research and development	-	28,681	14,790	90,564	430,070
General and administrative	105,168	54,200	246,457	108,709	19,077,905
Impairment expense	-	-	25,006	-	35,006
Bad debt expense	-	-	100,000	-	133,474
Depreciation	<u>49,840</u>	<u>6,966</u>	<u>99,680</u>	<u>20,897</u>	<u>195,429</u>
Total Expenses	<u>155,008</u>	<u>89,846</u>	<u>485,933</u>	<u>220,170</u>	<u>19,871,884</u>
LOSS FROM OPERATIONS	<u>(155,008)</u>	<u>(83,258)</u>	<u>(514,285)</u>	<u>(200,405)</u>	<u>(19,618,134)</u>
OTHER INCOME (EXPENSES)					
Interest expense	(48,031)	(9,510)	(96,062)	(28,530)	(404,646)
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,748</u>
Total Other Income (Expenses)	<u>(48,031)</u>	<u>(9,510)</u>	<u>(96,062)</u>	<u>(28,530)</u>	<u>(402,898)</u>
DISCONTINUED OPERATIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,149,550)</u>
NET LOSS	<u>\$ (203,039)</u>	<u>\$ (92,768)</u>	<u>\$ (610,347)</u>	<u>\$ (228,935)</u>	<u>\$ (21,170,582)</u>
OTHER COMPREHENSIVE INCOME					
Foreign currency translation adjustment	<u># (131,395)</u>	<u># -</u>	<u># (131,395)</u>	<u># -</u>	<u># (131,395)</u>
TOTAL COMPREHENSIVE LOSS	<u>\$ (334,434)</u>	<u>\$ (92,768)</u>	<u>\$ (741,742)</u>	<u>\$ (228,935)</u>	<u>\$ (21,301,977)</u>
BASIC LOSS PER SHARE	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>462,113,639</u>	<u>252,857,119</u>	<u>423,365,468</u>	<u>252,857,119</u>	

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

W2 ENERGY, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscriptions Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at October 1, 1992 (inception of development stage)	-	\$ -	54,614	\$ 55	\$ 1,149,495	\$ -	\$ (1,149,550)	\$ -
Common stock issued for cash at \$50.00 per share in 1993	-	-	4,550	5	227,495	-	-	227,500
Common stock issued for cash at \$120.00 per share in 1993	-	-	1,000	1	119,999	-	-	120,000
Common stock issued for cash at \$116.00 per share in 1993	-	-	6,500	7	753,994	-	-	754,000
Common stock issued for cash at \$120.00 per share in 1994	-	-	5,375	5	644,995	-	-	645,000
Common stock issued for cash at \$200.00 per share in 1994	-	-	2,500	3	499,998	-	-	500,000
Common stock issued for cash at \$124.00 per share in 1994	-	-	5,550	6	688,994	-	-	689,000
Common stock issued for services at \$250.00 per share in 1994	-	-	2,000	2	499,998	-	-	500,000
Common stock issued for cash at \$200.00 per share in 1995	-	-	2,450	2	489,999	-	-	490,001
Common stock issued for cash at \$190.00 per share in 1995	-	-	1,900	2	360,998	-	-	361,000
Common stock issued for services at \$110.00 per share in 1995	-	-	3,710	4	408,096	-	-	408,100
Common stock issued for cash at \$54.00 per share in 1996	-	-	12,500	12	674,988	-	-	675,000
Common stock issued for cash at \$100.00 per share in 1996	-	-	463	1	46,300	-	-	46,301
Common stock issued for cash at \$86.20 per share in 1996	-	-	1,484	1	127,874	-	-	127,875
Common stock issued for services at \$47.40 per share in 1996	-	-	4,605	5	218,096	-	-	218,101
Balance forward	-	-	109,201	\$ 109	\$ 6,911,318	\$ -	\$ (1,149,550)	\$ 5,761,877

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

W2 ENERGY, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional	Stock	Deficit	Total
	Shares	Amount	Shares	Amount	Paid-In	Subscriptions	Accumulated	Stockholders'
					Capital	Payable	During the	Equity
							Development	(Deficit)
							Stage	
Balance forward	-	\$ -	109,201	\$ 109	\$ 6,911,318	\$ -	\$ (1,149,550)	\$ 5,761,877
Common stock issued for cash at \$59.00 per share in 1997	-	-	9,300	9	548,939	-	-	548,948
Common stock issued for cash at \$53.80 per share in 1997	-	-	2,966	3	159,782	-	-	159,785
Common stock issued for cash at \$61.80 per share in 1997	-	-	1,100	1	67,999	-	-	68,000
Common stock issued for services at \$60.00 per share in 1997	-	-	500	1	30,000	-	-	30,000
Common stock issued for cash at \$40.00 per share in 1998	-	-	2,445	2	97,798	-	-	97,800
Common stock issued for cash at \$28.40 per share in 1998	-	-	6,125	6	174,514	-	-	174,520
Common stock issued for services at \$27.40 per share in 1998	-	-	28,840	29	787,311	-	-	787,340
Common stock issued for cash at \$33.20 per share in 1999	-	-	17,550	18	582,232	-	-	582,250
Common stock issued for cash at \$20.00 per share in 1999	-	-	2,500	3	49,998	-	-	50,000
Common stock issued for cash at \$35.80 per share in 1999	-	-	8,975	9	321,491	-	-	321,500
Common stock issued for services at \$60.00 per share in 1999	-	-	5,500	6	329,995	-	-	330,000
Balance forward	-	\$ -	195,002	\$ 195	\$ 10,061,375	\$ -	\$ (1,149,550)	\$ 8,912,020

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

W2 ENERGY, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit) (Continued)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscriptions Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance forward	-	\$ -	195,002	\$ 195	\$ 10,061,375	\$ -	\$ (1,149,550)	\$ 8,912,020
Common stock issued for cash at \$14.00 per share in 2000	-	-	3,675	4	51,746	-	-	51,750
Common stock issued for cash at \$46.00 per share in 2000	-	-	5,325	5	245,535	-	-	245,540
Common stock issued for cash at \$50.80 per share in 2000	-	-	3,050	3	154,997	-	-	155,000
Common stock issued for cash at \$49.00 per share in 2000	-	-	2,800	3	137,047	-	-	137,050
Common stock issued for services at \$80.00 per share in 2000	-	-	12,500	13	999,988	-	-	1,000,000
Common stock issued for cash at \$20.00 per share in 2001	-	-	8,375	8	167,492	-	-	167,500
Common stock issued for cash at \$21.80 per share in 2001	-	-	23,775	24	517,476	-	-	517,500
Common stock issued for cash at \$36.00 per share in 2001	-	-	6,295	6	226,614	-	-	226,620
Common stock issued for cash at \$20.60 per share in 2001	-	-	6,500	7	133,994	-	-	134,000
Common stock issued for services at \$20.00 per share in 2001	-	-	37,500	38	749,963	-	-	750,000
Common stock issued for services at \$22.20 per share in 2002	-	-	33,750	34	749,966	-	-	750,000
Common stock issued for services at \$20.00 per share in 2003	-	-	5,225	5	104,495	-	-	104,500
Balance, December 31, 2003	-	-	343,772	344	14,300,686	-	(1,149,550)	13,151,480
Common stock issued for services at \$2.00 per share in 2004	-	-	84,583	85	169,082	-	-	169,167
Net loss from inception through December 31, 2004	-	-	-	-	-	-	(15,070,559)	(15,070,559)
Balance, December 31, 2004	-	\$ -	428,355	\$ 428	\$ 14,469,769	-	\$ (16,220,109)	\$ (1,749,912)

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

W2 ENERGY, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit) (Continued)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscription Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance, December 31, 2004	-	\$ -	428,355	\$ 428	\$ 14,469,769	\$ -	\$ (16,220,109)	\$ (1,749,912)
Common stock issued for cash at \$0.60 per share	-	-	960,884	961	620,831	-	-	621,792
Net loss for the year ended December 31, 2005	-	-	-	-	-	-	(147,057)	(147,057)
Balance, December 31, 2005	-	-	1,389,239	1,389	15,090,600	-	(16,367,166)	(1,275,177)
Common stock issued for debt at \$0.20 per share	-	-	2,653,542	2,654	534,054	-	-	536,708
Common stock issued for cash at \$0.60 per share	-	-	875,000	875	614,125	-	-	615,000
Common stock issued for services at \$0.60 per share	-	-	670,000	670	404,330	-	-	405,000
Stock offering costs	-	-	-	-	(41,200)	-	-	(41,200)
Net loss for the year ended December 31, 2006	-	-	-	-	-	-	(833,469)	(833,469)
Balance, December 31, 2006	-	-	5,587,781	5,588	16,601,909	-	(17,200,635)	(593,138)
Common stock issued for cash at \$0.40 per share	-	-	1,797,162	1,797	279,078	-	-	280,875
Common stock issued for services at \$0.20 per share	-	-	1,000,000	1,000	349,925	-	-	350,925
Common stock issued for debt at \$0.16 per share	-	-	300,000	300	74,700	-	-	75,000
Stock offering costs	-	-	-	-	(9,450)	-	-	(9,450)
Net loss for the year ended December 31, 2007	-	-	-	-	-	-	(704,470)	(704,470)
Balance, December 31, 2007	-	\$ -	8,684,943	\$ 8,685	\$ 17,296,162	\$ -	\$ (17,905,105)	\$ (600,258)

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

W2 ENERGY, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit) (Continued)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscription Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance, December 31, 2007	-	-	8,684,943	8,685	17,296,162	-	(17,905,105)	(600,258)
Common stock converted to preferred stock	61,050,833	61,051	(3,052,552)	(3,053)	(57,998)	-	-	-
Common stock issued for cash and subscriptions payable at \$0.02 per share	-	-	15,234,008	15,235	274,950	54,843	-	345,028
Common shares issued for services rendered at \$0.02 per share	-	-	37,953,166	37,953	879,492	-	-	917,445
Common shares issued for debt at \$0.05 per share	-	-	590,000	590	28,910	-	-	29,500
Preferred shares converted to common stock	(2,673,407)	(2,673)	2,673,407	2,673	-	-	-	-
Net loss for the year ended December 31, 2008	-	-	-	-	-	-	(1,336,693)	(1,336,693)
Balance, December 31, 2008	58,377,426	58,378	62,082,972	62,083	18,421,516	54,843	(19,241,798)	(644,978)
Common shares issued for cash at an average price of \$0.0085 per share	-	-	66,027,778	66,028	498,472	-	-	564,500
Common stock issued for services rendered at an average price of \$0.0084 per share	-	-	41,500,000	41,500	307,304	-	-	348,804
Common stock issued for debt at \$0.003 per share	-	-	18,000,000	18,000	37,000	-	-	55,000
Net loss for the year ended December 31, 2009	-	-	-	-	-	-	(947,367)	(947,367)
Balance, December 31, 2009	58,377,426	58,378	187,610,750	187,611	19,264,292	54,843	(20,189,165)	(624,041)
Common and preferred shares issued for cash at an average price of \$0.0044 per share	19,410,000	19,410	117,217,737	117,218	197,902	-	-	334,530
Common shares issued for services rendered at an average price of \$0.0097 per share	-	-	13,275,000	13,275	95,700	-	-	108,975
Net loss for the year ended December 31, 2010	-	-	-	-	-	-	(371,070)	(371,070)
Balance, December 31, 2010	77,787,426	77,788	318,103,487	318,104	19,557,894	54,843	(20,560,235)	(551,606)

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

W2 ENERGY, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit) (Continued)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscription Payable	Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance, December 31, 2010	77,787,426	77,788	318,103,487	318,104	19,557,894	54,843	-	(20,560,235)	(551,606)
Preferred stock issued in acquisition of subsidiary	3,000,000	3,000	-	-	3,000	-	-	-	6,000
Common stock issued for cash	-	-	201,037,908	201,038	201,034	-	-	-	402,072
Common stock issued for services	-	-	75,500,000	75,500	75,500	-	-	-	151,000
Common stock issued in acquisition of subsidiary	-	-	6,525,500	6,525	6,526	-	-	-	13,051
Common stock issued in conversion of debt	-	-	4,956,896	4,957	12,293	-	-	-	17,250
Net loss for the nine months ended September 30, 2011	-	-	-	-	-	-	(131,395)	(610,347)	(741,742)
Balance, September 30, 2011	<u>80,787,426</u>	<u>\$ 80,788</u>	<u>606,123,791</u>	<u>\$ 606,124</u>	<u>\$ 19,856,247</u>	<u>\$ 54,843</u>	<u>\$ (131,395)</u>	<u>\$ (21,170,582)</u>	<u>\$ (703,975)</u>

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

W2 ENERGY, INC.
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30,		From Inception of the Development Stage on October 1, 1992 Through September 30,
	2011	2010	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (610,347)	\$ (228,935)	\$ (21,170,582)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation and amortization	112,006	-	159,284
Bad debt expense	100,000	-	133,474
Common stock issued for services	168,250	108,975	6,772,350
Impairment of intangible assets	19,051	-	50,565
Impairment of inventory	-	-	10,000
Changes in operating assets and liabilities:			
Change in accounts receivable	23,433	-	(40,075)
Increase (decrease) in accounts payable and and accrued expenses	25,372	8,343	(294,156)
Net Cash Used by Operating Activities	<u>(162,235)</u>	<u>(111,617)</u>	<u>(14,379,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	<u>(6,663)</u>	<u>-</u>	<u>(62,743)</u>
Net Cash Used by Investing Activities	<u>(6,663)</u>	<u>-</u>	<u>(62,743)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Stock offering costs paid	-	-	(50,650)
Change in notes payable	2,420	-	(166,453)
Common stock issued for cash and subscriptions payable	402,072	95,680	14,952,290
Net Cash Provided by Financing Activities	<u>404,492</u>	<u>95,680</u>	<u>14,735,187</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(123,406)</u>	<u>-</u>	<u>(123,406)</u>
NET INCREASE (DECREASE) IN CASH	112,188	(15,937)	169,898
CASH AT BEGINNING OF PERIOD	<u>57,710</u>	<u>21,850</u>	<u>-</u>
CASH AT END OF PERIOD	<u>\$ 169,898</u>	<u>\$ 5,914</u>	<u>\$ 169,898</u>

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

W2 ENERGY, INC.
(A Development Stage Company)
Statements of Cash Flows (Continued)

	For the Nine Months Ended September 30,		From Inception of the Development Stage on October 1, 1992 Through September 30, 2011
	<u>2011</u>	<u>2010</u>	<u>2011</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Common stock issued for services	\$ 151,000	\$ 26,744	\$ 6,755,100
Debt paid with common stock	17,250	-	235,997
Common and preferred stock issued in acquisition of subsidiary	\$ 19,051	\$ -	\$ 19,051

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

W2 ENERGY, INC.
(A Development Stage Company)
Notes to the Consolidated Financial Statements

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at September 30, 2011, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The results of operations for the periods ended September 30, 2011 and 2010 are not necessarily indicative of the operating results for the full years.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company does not have significant cash or other current assets, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. In the interim the Company expects to raise operating capital primarily through the sale of its common stock.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

NOTE 3 - SIGNIFICANT EVENTS

Preferred Stock Issuance – During the nine months ended September 30, 2011 the Company issued 3,000,000 shares of preferred stock as payment for the issuance of RTN Machining, Inc.

Common Stock Issuances – During the nine months ended September 30, 2011 the Company issued 201,037,908 shares of common stock for cash at an average price of \$0.002 per share, resulting in total cash proceeds of \$402,072. Additionally, the Company issued 75,500,000 common shares as payment for services rendered. These shares were valued at \$0.002 per share, resulting in an aggregate value of \$151,000. The Company also issued 6,525,500 shares of common stock in order to acquire various subsidiaries and related intangible assets. These shares were valued at \$0.002 per share, for an aggregate cost of \$13,051. Additionally, the Company issued 4,956,896 shares of common stock as a payment on debts. These shares were valued at an aggregate of \$17,250.

Formation of W2 Hydrokinetics Subsidiary – During the year ended December 31, 2010 the Company formed W2 Hydrokinetics, Inc. for the purpose of bringing to market various products and services derived from certain acquired patents relating to a Hydrokinetic Electric Power Generating System. As of June 30, 2011 W2 Hydrokinetics has zero assets and zero liabilities.

Acquisition of Free Drive EV, Inc. – During the year ended December 31, 2010 the Company acquired Free Drive EV, Inc. ("Free Drive") through the issuance of common stock to the shareholders of Free Drive. This acquisition was consummated so as to allow the Company to improve and bring to market certain solar technologies.

W2 ENERGY, INC.
(A Development Stage Company)
Notes to the Consolidated Financial Statements

NOTE 4 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued and has determined that there are no items to disclose.

Our Management's Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission.

Although the forward-looking statements in this Annual Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

Overview

We have six technologies that we anticipate will be deployed in a variety of uses around the world. These technologies are:

- plasma-assisted-biomass-to-energy plants;
- mass-to-energy plants;
- mass-to-energy technologies;
- solar technologies;
- hydroelectric and wind power systems; and
- hazardous waste destruction technology.

Through the year ended December 31, 2008, we did not generate any revenues from any of our technologies. Our development plan is to enter into joint venture relationship and strategic partnerships with third parties to help develop these technologies because they are very capital intensive. To date, we have been successful in entering into several relationships that we think have the potential to generate revenue in the near future. Essentially all of our activities have been focused on developing these relationships and becoming a reporting issuer under the Securities Exchange Act of 1934.

Results of Operations for the Nine -Month Periods Ended September 30, 2011 and 2010

Revenue

Our revenue for the six months ended June 30, 2011 and 2010 was \$-0- and \$7,088, respectively.

Research and development

We spent \$-0- on research and development for the nine months ended June 30, 2011, compared to \$28,681 for the corresponding period in 2010, and \$430,070 since our inception.

General and administrative expenses

We incurred general and administrative expenses of \$105,168 for the nine months ended September 30, 2011 compared to \$54,200 for the corresponding period in 2010 and \$19,077,905 for the period since our inception.

Other Income (Expenses)

Our total other expenses were \$97,871 for the nine months ended September 30, 2011, which consisted entirely of interest and depreciation expenses, compared to \$16,476 for the corresponding period of 2010. We have a total of \$768,555 of other expenses since our inception, consisting primarily of interest expense.

Net Income (Loss)

We had a net loss of \$203,039 for the nine-month period ended September 30, 2011, compared to a net loss of \$92,768 for the corresponding period of 2010. Our net loss for the period from October 1, 1992 (inception) through September 30, 2011 was \$21,170,582.

Liquidity and Capital Resources

Introduction

As of September 30, 2011, we had total current assets of \$182,487 and total current liabilities of \$1,356,698. During the period from October 1, 1992 (inception) through September 30, 2011, we incurred a net loss of \$21,170,582.

Our ability to continue as a going concern on a long-term basis is dependent upon our ability to generate sufficient cash flows from operations to meet our obligations on a timely basis, to obtain additional financing, and ultimately attain profitability.

Although we have been mildly successful in the past in raising capital, no assurance can be given that sources of financing will continue to be available and/or that demand for our equity/debt instruments will be sufficient to meet our capital needs, or that financing will be available on favorable terms.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, dilution of the interests of existing shareholders may occur. If we raise additional funds through the issuance of debt securities, these securities may have rights, preferences and privileges senior to holders of common stock and the terms of such debt could impose restrictions on our operations. Regardless of whether our assets prove to be inadequate to meet our operational needs, we may seek to compensate providers of services by issuance of stock in lieu of cash, which may also result in dilution to existing shareholders.

Cash Requirements

We intend to use our available funds for working capital purposes.

Sources and Uses of Cash

Operating Activities

Our net cash used in operating activities was \$162,235 for the nine months ended September 30, 2011 and \$111,617 for the corresponding period of 2010. Our net cash used in operating activities was \$14,379,140 for the period from October 1, 1992 (inception) through September 30, 2011.

Investing Activities

Our net cash used in investing activities was \$6,663 for the nine months ended September 30, 2011, compared to \$-0- for the corresponding period of 2010.

Financing Activities

Our net cash provided by financing activities was \$404,492 for the nine months ended September 30, 2011, compared to \$95,680 for the corresponding period of 2010, and were both primarily the result of the sale of our common stock. Our net cash provided by financing activities was \$14,735,187 for the period from October 1, 1992 (inception) through September 30, 2011, and was primarily the result of the sale of our common stock.

Critical Accounting Policies

Our accounting policies are fully described in Note 2 to our consolidated financial statements. The following describes the general application of accounting principles that impact our consolidated financial statements.

Our results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principals generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to bad debt, inventories, investments, intangible assets, income taxes, financing operations, and contingencies and litigation.

We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is deemed by our management to be material to investors.

ITEM 5 - LEGAL PROCEEDINGS

We are not currently a party to any pending or threatened legal proceedings or administrative actions.

In the ordinary course of business, we may be from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

ITEM 6 – DEFAULT UPON SENIOR SECURITIES

None.

ITEM 7 – OTHER INFORMATION

Entry into a Material Definitive Agreement.

On May 5 2011, the Company entered into a purchase and sale agreement to purchase the land and building located at 345 Woodlawn Rd. W Guelph Ontario N1H 1G3 for 1.15 million dollars Canadian. The owner of the building will carry a first mortgage on the property for \$900,000 dollars Canadian at the rate of 9% interest only for the term of 2 years. This property will serve as the Company's primary facility for its various businesses, subject to the terms of the aforementioned first mortgage. A copy of the agreement was filed as an Exhibit to the Company's Annual Report for the year ended December 31, 2010, and is incorporated herein by reference.

ITEM 8 - EXHIBITS

All Exhibits previously filed by or on behalf of the Company in the Company's Annual Report for the year ended December 31, 2010, are herein incorporated by reference.

SIGNATURES

I, Michael McLaren, certify that:

1. I have reviewed this Quarterly Report of W2 Energy, Inc. ("WTWO")
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.

Dated: November 16, 2011

/s/ Michael McLaren

Michael McLaren

President, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer & Director