

Allied Energy Corporation

Quarterly Report

for the quarter ended September 30, 2018

ITEM 1 NAME OF ISSUER AND ITS PREDECESSORS (if any):

Allied Energy Corporation: January 2006 to present
Formerly: Sounds 24-7 Inc. until January 2006
Formerly: Midamerica Oil & Gas, Inc. until January 2004
Formerly: Virtual Games, Inc. until August 2002
Formerly: Imagin Net, Inc. until April 1999
Formerly: Healthy Choice Corp. (THE) until October 1998
Incorporated as Sterling Harvest Ltd.: May 1994 to February 1998

ITEM 2 ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

P.O. Box 117498
Carrollton, Texas 75011-7498
Phone: 858-876-0633
www.alliedenergycorporation.com

ITEM 3 SECURITY INFORMATION:

As of September 30, 2018:

Exact title and class of securities outstanding: Common Stock
Trading symbol: AGYP
CUSIP: 019151208
Par or Stated Value: \$0.001
Total shares authorized: 300,000,000 shares as of September 30, 2018
Total shares outstanding: 51,815,458 shares as of September 30, 2018

Additional Classes:

Exact title and class of securities outstanding: Series A Preferred Stock
Trading symbol: None
CUSIP: 019151307
Par or Stated Value: \$0.001
Total shares authorized: 10,000 shares as of September 30, 2018
Total shares outstanding: 1 share as of September 30, 2018

Transfer Agent

VStock Transfer LLC
18 Lafayette Place
Woodmere, NY 11598
212-828-8436

Is the Transfer Agent registered under the Exchange Act? ☒ Yes ☐ No

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.

ITEM 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:

During the year ended December 31, 2016, the Company issued no shares of capital stock.

During the year ended December 31, 2017, the Company issued 12,800,000 shares of common stock for the conversion of notes payable totaling \$12,800.

During the three months ended March 31, 2018, the Company issued 12,300,000 shares of common stock for the conversion of notes payable totaling \$12,300.

During the three months ended June 30, 2018, the Company issued no shares of capital stock.

During the three months ended September 30, 2018, the Company issued no shares of common stock.

During the three months ended September 30, 2018, the Company issued 1 share of Series A preferred stock for services.

ITEM 5 FINANCIAL STATEMENTS

ALLIED ENERGY CORPORATION

**Financial Statements
September 30, 2018**

ALLIED ENERGY CORPORATION
BALANCE SHEETS
(Unaudited)

	September 30, 2018	December 31, 2017
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 4,706	\$ 11,888
Total Current Assets	4,706	11,888
Total Assets	\$ 4,706	\$ 11,888
Liabilities:		
Current Liabilities:		
Convertible notes payable	\$ 1,485,351	\$ 1,220,599
Credit cards	226	367
Total Current Liabilities	1,485,577	1,220,966
Total Liabilities	\$ 1,485,577	\$ 1,220,966
Stockholders' Deficit:		
Common stock, \$0.001 par value, 300,000,000 shares authorized, 51,815,458 and 39,515,458 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	\$ 51,815	\$ 39,515
Series A preferred stock, \$0.001 par value, 10,000 shares authorized, 1 and 0 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	1	-
Additional paid in capital	807,192	807,192
Accumulated deficit	(2,339,879)	(2,055,785)
Total Stockholders' Deficit	(1,480,871)	(1,209,078)
Total Liabilities and Stockholders' Deficit	\$ 4,706	\$ 11,888

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

ALLIED ENERGY CORPORATION
STATEMENT OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ -	\$ -	\$ -	\$ -
Costs of services	-	-	-	-
Gross margin	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses:				
Salaries and wages	81,000	36,000	243,000	100,000
Bank charges	152	312	784	969
Professional fees	-	-	480	-
General and administrative exp	7,202	21,480	33,229	58,390
Consulting fee	2,200	4,400	6,601	6,725
Total Operating Expenses	<u>90,554</u>	<u>62,192</u>	<u>284,094</u>	<u>166,084</u>
Operating Loss	(90,554)	(62,192)	(284,094)	(166,084)
Other Income/Expense:				
Other income	-	-	-	-
Total Other Income/Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Loss Before Taxes	<u>(90,554)</u>	<u>(62,192)</u>	<u>(284,094)</u>	<u>(166,084)</u>
Income tax	-	-	-	-
Net Loss	<u>\$ (90,554)</u>	<u>\$ (62,192)</u>	<u>\$ (284,094)</u>	<u>\$ (166,084)</u>
Gain (Loss) per share, Basic & Diluted	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.01)</u>	<u>(0.01)</u>
Weighted average shares outstanding	<u>51,815,458</u>	<u>26,715,458</u>	<u>50,012,894</u>	<u>26,715,458</u>

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

ALLIED ENERGY CORPORATION
STATEMENT OF CASH FLOWS
(Unaudited)

	For the nine months ended September 30,	
	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss for the year	\$ (284,094)	\$ (166,084)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Preferred shares issued for services	1	-
Changes in Operating Assets and Liabilities:		
Increase (decrease) in credit cards	(141)	(661)
Net Cash Used in Operating Activities	(284,234)	(166,745)
CASH FLOW FROM FINANCING ACTIVITIES:		
Convertible note issued for settlement of accrued salary	243,000	100,000
Proceeds from convertible note payable	34,052	65,140
Net Cash Provided by Financing Activities	277,052	165,140
Net Increase (Decrease) in Cash	(7,182)	(1,605)
Cash at Beginning of the Year	11,888	6,030
Cash at End of the Year	\$ 4,706	\$ 4,425
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Franchise and income taxes	\$ -	\$ -
<u>NON-CASH FINANCING AND INVESTING ACTIVITIES:</u>		
Convertible note issued for settlement of accrued salary	\$ 243,000	\$ 100,000
Common stock issued for conversion of debt	\$ 12,300	\$ -
Preferred stock issued for consulting services	\$ 1	\$ -

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

ALLIED ENERGY CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2018
(Unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS

Allied Energy Corporation was originally incorporated in the State of Nevada on May 5, 1994 as Sterling Harvest, Ltd. In January 2006, the Company changed its name to Allied Energy Corporation its current name. Allied Energy Corporation is engaged in the world-wide marketing and sales of Proprietary Brands of Organic fertilizers used by commercial producers of fruits, vegetables, nuts and grains.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

The Company's accounting and reporting policies conform to generally accepted accounting principles in the United States.

Revenue Recognition

The Company recognizes revenue in accordance with FASB ASC Subtopic 605, Revenue Recognition. Under FASB ASC Subtopic 605, revenue is recognized at the point of passage to the customer of title and risk of loss, there is persuasive evidence of an arrangement, the sales price is determinable, and collection of the resulting receivable is reasonably assured. The Company generally recognizes revenue at the time of delivery of goods. Sales are reflected net of sales taxes, discounts and returns.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with maturities of three months or less when purchased. Cash and cash equivalents are on deposit with financial institutions without any restrictions. At September 30, 2018 and December 31, 2017, cash equivalents amounted to \$4,706 and \$11,888.

Fair Value of Financial Instruments

The Company's financial instruments comprise cash, accounts receivable – related party, accounts payable and accrued liabilities, notes payable and advances. The carrying value of Company's short-term instruments approximates fair value, unless otherwise noted, due to the short-term maturity of these instruments. In management's opinion, the fair value of notes payable is approximate to carrying value as the interest rates and other features of these instruments approximate those obtainable for similar instruments in the current market. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks in respect of these financial instruments.

Income Taxes

The Company follows FASB ASC Subtopic 740, Income Taxes, for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled.

Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Stock-based Compensation

The Company follows FASB ASC Subtopic 718, Stock Compensation, for accounting for stock-based compensation. The guidance requires that new, modified and unvested share-based payment transactions with employees, such as grants of stock options and restricted stock, be recognized in the consolidated financial statements based on their fair value at the grant date and recognized as compensation expense over their vesting periods. The Company also follows the guidance for equity instruments issued to consultants.

Basic Loss Per Share

FASB ASC Subtopic 260, Earnings Per Share, provides for the calculation of "Basic" and "Diluted" earnings per share. Basic earnings per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding for the period. All potentially dilutive securities have been excluded from the computations since they would be antidilutive. However, these dilutive securities could potentially dilute earnings per share in the future.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements or changes in accounting pronouncements that impacted the third quarter of fiscal 2018, or which are expected to impact future periods that were not already adopted and disclosed in prior periods.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying financial statements, the Company had an accumulated deficit at September 30, 2018 of \$2,339,879 and its liabilities exceeded its assets. These factors among others raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to commence operations and generate revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – CONVERTIBLE NOTE PAYABLE

During the three months ended September 30, 2017, the Company received \$19,180 from third parties towards convertible note payable. These notes are unsecured, bears no interest and convertible into common shares at par value.

On September 30, 2017, the Company issued a \$36,000 convertible note payable to George Monteith for settlement of accrued salaries and wages totaling \$36,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

During the three months ended December 31, 2017, the Company received \$23,479 from third parties towards convertible note payable. These notes are unsecured, bears no interest and convertible into common shares at par value.

On December 31, 2017, the Company issued a \$36,000 convertible note payable to George Monteith for settlement of accrued salaries and wages totaling \$36,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

On December 31, 2017, the Company issued a ,000 convertible note payable to Gordon Johnson for settlement of accrued salaries and wages totaling \$30,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

During the three months December 31, 2017, the Company issued 12,800,000 shares of common stock for the conversion of notes payable totaling \$12,800.

During the three months ended March 31, 2018, the Company received \$14,410 from third parties towards convertible note payable. These notes are unsecured, bears no interest and convertible into common shares at par value.

On March 31, 2018, the Company issued a \$36,000 convertible note payable to George Monteith for settlement of accrued salaries and wages totaling \$36,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

On March 31, 2018, the Company issued a \$45,000 convertible note payable to Gordon Johnson for settlement of accrued salaries and wages totaling \$45,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

During the three months ended March 31, 2018, the Company issued 12,300,000 shares of common stock for the conversion of notes payable totaling \$12,300.

During the three months ended June 30, 2018, the Company received \$8,950 from third parties towards convertible note payable. These notes are unsecured, bears no interest and convertible into common shares at par value.

On June 30, 2018, the Company issued a \$36,000 convertible note payable to George Monteith for settlement of accrued salaries and wages totaling \$36,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

On June 30, 2018, the Company issued a \$45,000 convertible note payable to Gordon Johnson for settlement of accrued salaries and wages totaling \$45,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

During the three months ended September 30, 2018, the Company received \$10,692 from third parties towards convertible note payable. These notes are unsecured, bears no interest and convertible into common shares at par value.

On September 30, 2018, the Company issued a \$36,000 convertible note payable to George Monteith for settlement of accrued salaries and wages totaling \$36,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

On September 30, 2018, the Company issued a \$45,000 convertible note payable to Gordon Johnson for settlement of accrued salaries and wages totaling \$45,000. This note is unsecured, bears no interest and convertible into common or preferred shares at par value.

As of September 30, 2018, and December 31, 2017, there was \$1,485,351 and \$1,220,599 in convertible notes outstanding, respectively.

NOTE 5 – STOCKHOLDERS’ DEFICIT

Common Stock Issued

During the year ended December 31, 2017, the Company issued 12,800,000 shares of common stock for the conversion of notes payable totaling \$12,800.

During the three months ended March 31, 2018, the Company issued 12,300,000 shares of common stock for the conversion of notes payable totaling \$12,300.

As of September 30, 2018, and December 31, 2017, 51,815,458 and 39,515,458 common shares were issued and outstanding, respectively.

Preferred Stock Issued

During the three months ended September 30, 2018, the Company issued 1 shares of Series A preferred stock to George Monteith for services. As of September 30, 2018, and December 31, 2017, 1 and 0 Series A preferred shares were issued and outstanding, respectively.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were no reportable subsequent events to be disclosed.

ITEM 6 DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES

Description of the issuer's business operations:

On May 5, 2013, Allied Energy Corporation entered into a Joint Development Agreement and a World-Wide Licensing Agreement with Natural Mining International, Inc., for the development, sale and distribution of organic fertilizers, currently marked under the name BBWG, Building a Better World Green and Organic Green Products. These fertilizer products are used in commercial agriculture for the production of organic fruits, vegetables, nuts and grains. Current high growth markets for the sale of these products include the United States, Canada, Mexico, Brazil and China.

Date and State (or Jurisdiction) of Incorporation: May 5, 1994 – Nevada

The issuer's primary and secondary SIC Codes: 700

The issuer's fiscal year end date: 12/31

ITEM 7 DESCRIBE THE ISSUER'S FACILITIES

The Company has no facilities to list.

ITEM 8 OFFICERS, DIRECTORS AND CONTROL PERSONS

A. Names of Officers, Directors, and Control Persons.

Full Name: George Monteith

Title: President, Chief Executive Officer and member of the Board of Directors

Business Address: P.O. Box 117498, Carrollton, Texas 75011-7498

Compensation: Annual salary \$144,000

Ownership: 5,800,000 shares of common stock

Biography – Mr. Monteith has over 30 years' experience in executive authority and management responsibilities with resource based companies. Having provided geological services to the resource industry for the past 37 years Mr. Monteith has worked on mining and oil and gas projects around the globe, including Canada, United States, Africa, South America and Asia. Mr. Monteith attended Haileybury School of Mines from 1972 to 1973, Brock University in 1976, York University including courses in Economics and Management from 1975 to 1977 and the University of Toronto including courses in Economic Geology at Master Level from 1977 to 1978. Mr. Monteith served as a staff Geologist for the Geological Survey of Canada from 1976 to 1977. From 1978 to 1981 he served as President and Director of Coronation Gold, Inc., on OTC Toronto based company involved in gold exploration in the High Arctic as well as oil and gas exploration in Texas and Oklahoma. Mr. Monteith served as a director of Lava Cap Resources Limited, a TSE listed issued from 1979 to 1983. Mr. Monteith served as President and Chief Executive Officer of American DME Inc. in Rockwell, Texas from 1995 to 2005. Mr. Monteith currently serves as a member of the Board of Directors and Chief Executive Officer of Canagco Mining Corp., a Toronto based Silver Exploration and Development Company working in the Cobalt Mining Camp of North Eastern

Ontario. As announced May 8, 2014, Canagco Mining Corp. is in process of completing a share exchange arrangement with TSX listed Kerr Mines.

In addition, Mr. Monteith has worked as a consultant to the resource industry for many clients including Willingdon Resources – Toronto, John Pol Explorations – Toronto, Watts Mining and Consulting – Toronto, Caviar Minerals – Toronto, Blackstone Minerals – Toronto and Lenora Explorations – Timmins Ontario.

Full Name: Gordon H. Johnson

Title: Chief Financial Officer, Treasurer, Secretary and member of the Board of Directors

Business Address: P.O. Box 117498, Carrollton, Texas 75011-7498

Compensation: None

Ownership: 0 shares of common stock

Biography - Mr. Johnson was reared in the oil and gas business, as his father was a drilling contractor and oil producer for over 50 years. Additionally, his grandfather and two uncles were practicing petroleum engineers. After leaving the University of Texas in September, 1965 he was employed by two major and two large independent oil companies, receiving experience in Texas, New Mexico, Oklahoma, Montana, North Dakota, and Louisiana. In 1972 he joined the ranks of the independent oil operators. He has since served as President of several companies, one of which held a fully subscribed underwriting for \$6,000,000 in 1981 and was traded on NASDAQ. During his career he has been responsible for generating geological prospects, acquisition of oil and gas leases and producing properties, generation of drilling funds, supervision of the drilling and completion of numerous oil and gas wells, and coordination of several mergers. Mr. Johnson's present company concentrates in acquiring existing wells for remediation and re-completion as well as generating development drilling prospects. Since November 2015 Mr. Johnson has served as a Director of West Texas Resources, Inc., which company is active in the oil and gas business primarily in Texas and Oklahoma. The company is traded on the OTC:BB.

Full Name: Morgan Scudi

Title: Member of the Board of Directors

Business Address: 5440 Morehouse Drive, Suite 4400, San Diego, CA 92121

Compensation: None

Ownership: 3,200,000 shares of common stock

Biography – Morgan J.C. Scudi, received his BS and MS from the University of Tennessee and his JD from The American University in Washington, D.C. He has extensive management experience as the head of several startup companies. He is also managing partner of Scudi & Ayers, LLP.

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);
None.

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;
None.
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
None.
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.
None.

C. Beneficial Shareholders. The following table sets forth, as of September 30, 2018, 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 Allied Energy Corporation's equity securities.

Name and Address	Number of Shares Beneficially	Class	Percentage of Class ⁽¹⁾ ⁽²⁾
George Monteith President, Chief Executive Officer, and member of the Board of Directors P.O. Box 117498, Carrollton, Texas 75011	5,800,000	Common	11%
	1	Series A Preferred	100%

- 1) The above percentage is based on 51,815,458 shares of Common Stock outstanding as of September 30, 2018.
- 2) The above percentage is based on 1 share of Series A Preferred Stock outstanding as of September 30, 2018.

ITEM 9 THIRD PARTY PROVIDERS:

1. Counsel
Scudi & Ayers, LLP
5440 Morehouse Dr.
Suite 4400
San Diego, CA 92121
2. Accountant or Auditor
Financials prepared by Management
3. Investor Relations Consultant
None
4. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.
None

ITEM 10 ISSUER CERTIFICATION

I, George Monteith, certify that:

1. I have reviewed this Quarterly Report of Allied Energy Corporation;
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.

Date: October 21, 2018

/s/ George Monteith
George Monteith
Chief Executive Officer

I, Gordon Johnson, certify that:

1. I have reviewed this Quarterly Report of Allied Energy Corporation;
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.

Date: October 21, 2018

/s/ Gordon Johnson

Gordon Johnson

Chief Financial Officer