OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Optical Systems, Inc , May 1997
BenchMark Energy Corporation, August 2011

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 111 FM 1514, Coldspring Texas 77331
Address 2:
Address 3:
Phone: 936-653-5775
Email:
Website(s): www.benchmarkenergy.com

IR Contact
Address 1: N/A
Address 2:
Address 3:
Phone:
Email:
Website(s):

3) Security Information

Trading Symbol: BMRK
Exact title and class of securities outstanding: Common Stock
CUSIP: 08161T 203
Par or Stated Value: $0.001
Total shares authorized: 480,000,000 as of: August 27, 2013
Total shares outstanding: 23,247,121 as of: August 27, 2013

Additional class of securities (if necessary):
Trading Symbol: BMRK
Exact title and class of securities outstanding: Preferred Stock
CUSIP: 08161T 203
Par or Stated Value: $0.001
Total shares authorized: 20,000,000 as of: August 27, 2013
Total shares outstanding: 1,000,000 (Series E) as of: August 27, 2013

Transfer Agent
Name: First American Stock Transfer Inc.
Address 1: 4747 N. 7th Street, Suite 170, Phoenix, AZ 85014
Address 2:
Address 3:
Phone: 602-485-1346
Is the Transfer Agent registered under the Exchange Act?* Yes: X No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

<u>none</u>

Describe any trading suspension orders issued by the SEC in the past 12 months.

<u>none</u>

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

<u>none</u>

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

Subscription Agreement made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933 ("**Securities Act**") and Rule 506 of Regulation D thereunder.

B. Any jurisdictions where the offering was registered or qualified;

<u>N/A</u>

C. The number of shares offered;

<u>See below</u>

D. The number of shares sold;

<u>See below</u>

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

<u>See below</u>

F. The trading status of the shares; and

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

All certificates issued with Restricted legend.

From the period of October 1, 2011 to September 30, 2012, the Company has received $588,500 from private investors causing the issuance of 1,177,000 shares of restricted common stock, par value $.001 and the issuance of 197,000 warrants for the purchase of BenchMark common stock.

In November 2012, the Company issued 50,000 restricted shares to a private investor through a subscription agreement. The fair value of the shares on the date of issuance was $10,000.

In November 2012, the Company issued 100,000 restricted shares to M2 Capital per a consulting agreement. The fair value of the shares on the date of issuance was $50,000.

In February 2013, the Company issued 55,000 restricted shares to a private investor through a subscription agreement. The fair value of the shares on the date of issuance was $27,500.

In March 2013, the Company issued 60,000 restricted shares to private investors through a stock purchases. The fair value of the shares on the date of issuance was $30,000.

In March 2013, the Company issued 40,000 restricted shares to private investors through a stock purchases. The fair value of the shares on the date of issuance was $20,000.

In April 2013, the Company issued 200,000 restricted shares to private investors through a stock purchases. The fair value of the shares on the date of issuance was $50,000.

In April 2013, the Company issued 40,000 restricted shares to private investors through a stock purchases. The fair value of the shares on the date of issuance was $10,000.

In April 2013, the Company issued 20,000 restricted shares to private investors through a stock purchases. The fair value of the shares on the date of issuance was $10,000.

In April 2013, the Company issued 42,000 restricted shares to private investors through a stock purchases. The fair value of the shares on the date of issuance was $10,500.

In May 2013, the Company issued 100,000 restricted shares to an outside consultant in exchange for services. The fair value of the shares on the dates of issuance was $100,000.

Each of the issuances of common stock in April 2013 came with an additional warrant to purchase an equal number of shares at an exercise price of $1.00. The total number of warrants issued during this time was 302,000. As of the date of this filing, the Company has 22,156,777 shares of common stock issued and outstanding and 1,614,000 Warrants for the purchase of the Company’s common stock.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

A. Balance sheet;

B. Statement of income;
C. Statement of cash flows;
D. Financial notes; and
E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otciq.com in the field below.

Financials Attached

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

BenchMark Energy buys glycerin from multiple Bio-diesel plants in the U.S. and Canada and sells that glycerin into markets both in the U.S., Mexico and for contracts in Asia. Glycerin is a co-product from making bio-diesel. There are over 1500 uses for glycerin from feed supplements for livestock to cosmetic to pharmaceutical's to use in the fracking of oil and gas. BenchMark has for the past 2 years been working with over 40 biodiesel Plants to determine the make-up and quality of the glycerin the produce. We then market that glycerin stream into a specific end user.
BenchMark Energy Corporations currently has agreements to move over 100,000 gallons of glycerin per month and we are working to finalize more sales.
BenchMark Energy Corp. is working on a Joint Venture where we would refine off spec glycerin into a higher quality level to add additional value to some of our glycerin streams.
BenchMark Energy Corp. Also working to locate and build our 1st 10 million gallon a year refining plant for glycerin.

B. Date and State (or Jurisdiction) of Incorporation:
August 4, 2011 Nevada

C. the issuer's primary and secondary SIC Codes;
2841

D. the issuer's fiscal year end date;
December

E. principal products or services, and their markets;
The Company buys industrial grade glycerin, which is a co-product produced from biodiesel, and sells it to various end-users based on the make-up of the glycerin and each customer's specific parameters. In addition to sales of

crude industrial grade glycerin, BenchMark has some glycerin refined into technical grade glycerin for other customer specifications. Current markets include Mexico, China and the U.S. The glycerin is being used in applications like dust control, animal feed, antifreeze, plastics and in the oil & gas industry for fracking. Other markets are constantly emerging, as there are presently over 1500 uses for glycerin. BenchMark is working with a strategic partner toward a possible joint venture that will allow the Company to distill glycerin to a purity level between 85-95%. BenchMark is developing plans to build a glycerin refinement plant that will include capacity to process glycerin to a pharmaceutical grade of 99.5%.

7) Describe the Issuer's Facilities

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

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

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

The Company maintains two corporate offices. We lease office space in Coldspring, Texas located at 111, Highway 1514, Coldspring, Texas, 77331 in which the Company pays $2,250 rent per month on a month to month basis. The Company also maintains an office executive suite at 1095 Evergreen Circle, Suite 200, The Woodlands, Texas, 77380 at a month to month rental basis of $199 per month

8) Officers, Directors, and Control Persons

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

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

Mark Bateman, CEO/President
Tari Bateman, COO/Secretary
Steven Plumb CFO
Ben Yantis, Director

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. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Class(*)
Common Stock		
Yantis Family Trust	21,547,661(2)(3)(8)	46.65%
Mark Bateman, President, CEO, Director	10,773,830(4)(5)(6)(7)	23.32%
Tari Bateman, Secretary, COO, Director	10,773,830(4)(5)(6)(7)	23.32%
Steven Plumb, CFO		
Ben Yantis, Director	21,547,661(2)(3)(8)	
Officers and Directors as a Group	43,095,321(3)(4)(5)	93.29%

(*) based upon 46,190,442 shares issued and

outstanding on a fully dilluted basis

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Robert Sonfield
Firm: Sonfield & Sonfield
Address 1: 770 Post Oak Lane, Houston, Texas 77056
Phone: 713-877-8333
Email: robert@sonfield.com

Accountant or Auditor
Name:
Firm: Clear Financial Solutions
Address 1: 5300 N Breaswood, #370, Houston, Texas 77096
Phone: 713-780-0806
Email: steven@clearfinancials.com

Investor Relations Consultant
Name: N/A
Firm:
Address 1:
Phone:
Email:

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.
Name: N/A
Firm:
Address 1:
Phone:
Email:

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Mark Bateman, certify that:

1. I have reviewed this Annual Disclosure for period ending 09302012 of BenchMark 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.

August 28, 2013

/s/Mark Bateman [CEO's Signature]

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

BENCHMARK ENERGY CORPORATION

CONSOLIDATED BALANCE SHEETS

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BENCHMARK ENERGY CORPORATION

CONSOLIDATED BALANCE SHEETS

	September 30, 2012	September 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,346	$ 55,935
Accounts receivable, net	78,231	44,033
Prepaid expenses and insurance	60,992	7,500
Inventories:		
Glycerin	58,650	-
Soap stock	7,148	-
Other current assets	26,235	199
Total current assets	232,602	107,667
Property and equipment		
Vehicles	34,470	17,927
Furniture and fixtures	1,624	-
Less: accumulated depreciation	(4,992)	(1,184)
Property and equipment, net	31,102	16,743
Deposits	26,900	-
Total assets	$ 290,604	$ 124,410
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 640,769	$ 87,130
Accounts wages and payroll taxes	51,306	11,350
Deferred revenue	738,005	497,858
Notes payable	118,226	65,852
Total current liabilities	1,548,306	662,190

BENCHMARK ENERGY CORPORATION

CONSOLIDATED BALANCE SHEETS

Total liabilities	1,548,306	662,190
Commitments		
Shareholders' deficit		
Preferred stock, Series A $0.001 par value; 5,000,000 shares authorized; 100 shares issued and outstanding at September 30, 2012 and 2011, respectively	-	-
Preferred stock, Series B $0.001 par value; 5,000,000 shares authorized; 100 shares issued and outstanding at September 30, 2012 and 2011, respectively	-	-
Common stock, $0.001 par value; 70,000,000 shares authorized; 21,454,777 and 20,142,535 shares issued and outstanding as of September 30, 2012 and 2011, respectively	21,610	20,298
Treasury stock	(155)	(155)
Additional paid-in capital	650,578	4,640
Accumulated deficit	(957,709)	(229,784)
Total parent company shareholders' deficit	(285,676)	(263,510)
Noncontrolling interest in investment	(972,026)	(274,270)
Total Shareholders' deficit	(1,257,702)	(537,780)
Total Liabilities and shareholders' deficit	$ 290,604	$ 124,410

See accompanying notes to consolidated financial statements

BENCHMARK ENERGY CORPORATION

CONSOLIDATE STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	For the Years Ended September 30, 2012	For the Years Ended September 30, 2011
Revenues:		
Glycerin income	$ 481,240	$ 175,260
Soap stock income	424,014	63,931
Sales discounts	(2,968)	–
Total revenues	902,286	239,191
Cost of goods sold:		
Raw materials	93,838	50,511
Trucking and delivery expense	494,516	156,580
Other	179,787	3,982
Total cost of goods sold	768,141	211,073
Gross profit	134,145	28,118
Operating costs and expenses:		
Bad debt expense	38,918	10,365
Depreciation	4,278	1,184
Employee expenses	563,729	311,255
Insurance expense	25,511	–
Inventory loss	30,395	–
Investment loss	15,000	–
Marketing expenses	21,958	–
Office supplies and expenses	46,770	20,580
Professional and consulting fees	475,380	88,920
Research and development	141,945	10,859
Travel and entertainment	77,488	23,422
Vehicle expenses	38,127	14,291
Corporate and other expenses	22,800	14,529

BENCHMARK ENERGY CORPORATION

CONSOLIDATE STATEMENTS OF SHAREHOLDERS' DEFICIT

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

Total operating costs and expenses	1,502,299	495,405
Net loss from operations	(1,368,154)	(467,287)
Other income (expense)		
Interest income	6	39
Interest expense	(4,378)	(852)
Foreign currency transaction loss, net	(7,046)	–
Other income	12,400	–
Total other income (expense)	982	(813)
Net loss	(1,367,172)	(468,100)
Net loss attributable to noncontrolling interest	(697,759)	(238,316)
Net loss attributable to parent company	$ (669,413)	$ (229,784)
Net loss per share, basic and diluted:	$ (0.03)	$ (0.27)
Weighted average number of common shares outstanding:		
Basic	20,820,093	847,782
Diluted	42,237,556	847,782

See accompanying notes to consolidated financial statements

BENCHMARK ENERGY CORPORATION

CONSOLIDATE STATEMENTS OF SHAREHOLDERS' DEFICIT

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	Common Stock						
	Shares	Amount	Treasury Shares	Additional Paid-in Capital	Accumulated Deficit	Noncontrolling Interest	Total
Balance at September 30, 2010	297,836	$ 298	$ -	$ 3,129,828	$ (2,935,818)	$ (35,954)	$ 158,354
Acquisition	-	-	-	(3,105,188)	2,952,154	-	(153,034)
Issuance of common shares in exchange for shares previously purchased	20,000,000	20,000	-	(20,000)	-	-	-
Issuance of common stock for rounding	44	-	-	-	-	-	-
Purchase of treasury shares	(155,344)	-	(155)	-	(74,845)	-	(75,000)
Cancellation of commons stock returned to company	(1)	-	-	-	-	-	-
Net loss	-	-	-	-	(229,784)	(238,316)	(468,100)
Balance at September 30, 2011	20,142,535	20,298	(155)	4,640	(288,293)	(274,270)	(537,780)
Investment pursuant to subscription agreement	1,177,000	1,177	-	587,322	-	-	588,499
Issuance of common stock for bonus compensation	35,000	35	-	8,715	-	-	8,750
Issuance of common stock for services	100,000	100	-	49,900	-	-	50,000
Issuance of common stock for rounding	242	-	-	1	-	-	1
Net loss	-	-	-	-	(669,413)	(697,759)	(1,367,172)
Balance at September 30, 2012	21,454,777	$ 21,610	$ (155)	$ 650,578	$ (957,706)	$ (972,029)	$ (1,257,702)

BENCHMARK ENERGY CORPORATION

CONSOLIDATE STATEMENTS OF SHAREHOLDERS' DEFICIT

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

See accompanying notes to consolidated financial statements

BENCHMARK ENERGY CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	For the years ended September 30,	
	2012	2011
Cash flows from operating activities:		
Net loss	$ (1,367,172)	$ (468,100)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,278	1,184
Interest expense	4,378	-
Effect of merger	-	(66,080)
Asset impairment expense	1,234	-
Inventory loss	30,395	-
Loss on investment	15,000	-
Other	-	(1)
Changes in operating assets and liabilities:		
Accounts receivable	(34,198)	(44,033)
Inventory	(96,192)	-
Prepaid insurance	(60,992)	-
Other assets	(26,037)	(199)
Accounts payable	603,640	86,554
Deferred revenue	240,147	494,727
Accrued liabilities	-	11,350
Other liabilities	48,706	852
Net cash used in operating activities	(636,813)	16,254
Cash flows from investing activities:		
Purchase of option to acquire land	(7,500)	(7,500)
Capital expenditures	(19,871)	(17,927)
Deposits	(26,900)	-
Net cash used in investing activities	(54,271)	(25,427)
Cash flows from financing activities:		
Proceeds from issuance of common stock from subscriptions	588,499	-
Issuance of notes payable – third parties	65,000	65,000

BENCHMARK ENERGY CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

Repayment of note payable – third party	(17,004)	-
Issuance of short term debt to related parties	(18,000)	-
Receipt of payment of short term debt from related parties	18,000	-
Net cash provided by financing activities	636,495	65,000
Net change in cash	(54,589)	55,827
Cash - Beginning of Period	55,935	108
Cash - End of Period	$ 1,346	$ 55,935
Supplemental Disclosures		
Interest paid	$ –	$ 20,689
Interest taxes paid	$ –	$ –
Non-cash investing and financing activities:		
Stock issued for bonus compensation	$ 8,750	$ –
Stock issued to settle accounts payable	$ 50,000	$ –

See accompanying notes to consolidated financial statements

1. NATURE OF THE BUSINESS

Organization and Business

Benchmark Energy Corporation ("Benchmark" or "Company"), a Nevada corporation, is an operating business that buys industrial grade glycerin which is a co-product produced from biodiesel and sells it to boiler plants as an alternative bunker fuel. The Company's fiscal year end is September 30.

Previously, the Company operated as Optical Systems, Inc. ("Optical Systems"), a Florida corporation which, through its subsidiary Automotive Software Designers, was in the business of supplying software to automotive dealers. The Company had a change in control on July 11, 2011, in which Energy Partners, LLC ("Energy Partners"), an Indiana limited liability company founded on April 27, 2009, purchased 52% of the issued and outstanding Common Stock of Optical Systems in a private transaction.

On August 18, 2011, BenchMark merged with Optical Systems, with BenchMark as the surviving entity. The merger provided for a 1-for-1,000 share exchange of BenchMark Common Stock for Optical Systems Common Stock, thus effecting a 1 for 1,000 reverse split of the issued and outstanding stock of the survivor of the merger. The merger was approved by shareholders owning 52% of the issued and outstanding shares of Optical Systems Common Stock and the incorporator of BenchMark (as no shares of BenchMark stock had yet been issued). At the time of the merger neither BenchMark nor Optical Systems had operations.

On September 14, 2011, BenchMark purchased 49% of the ownership interest of Energy Partners in exchange for the issuance to the three members of Energy Partners of an aggregate of 20,000,000 shares of BenchMark's Common Stock and 100 shares of each of BenchMark's Series A Convertible Preferred Stock and Series B Convertible Preferred Stock. In conjunction with the acquisition, the members of Energy Partners agreed to retire their 52% interest originally purchased in the change in control on July 11, 2011.

Both the merger of BenchMark with Optical Systems and the acquisition of a 49% interest in Energy Partners were related party transactions. Mark Bateman, Tari Bateman and Ben Yantis are the sole officers and directors of BenchMark, and formerly were the officers and directors of Optical Systems and the collective owners of 100% of membership interests in Energy Partners.

For accounting purposes, the transaction is regarded as a reverse merger according to FASB Statement 141(R) "Business Combinations" and BenchMark is deemed to have a controlling interest in Energy Partners as the three members of Energy Partners are also the Directors and Officers of BenchMark. The accompanying financial statements are presented on a consolidated basis as if this transaction occurred on September 30, 2009. The historical financial statements are those of Energy Partners.

There can be no assurance that the Company will be successful or that additional acquisitions or investments will be available to the Company at terms acceptable to the Company.

2. BASIS OF PRESENTATION

The accompanying financial statements have been derived from the consolidated accounts of BenchMark Energy Corporation. The financial statements have been prepared in accordance with generally accepted accounting principles for annual financial information of smaller reporting companies and in accordance with the instructions for Form 10-K under SEC Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States. In the opinion of management, the financial statements for the fiscal years ended September 30, 2012 and 2011, reflect all adjustments, consisting only of normal recurring accruals, necessary for fair presentation of the results of such period. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Earnings (Loss) Per Share

Basic earnings (loss) per share excludes any dilutive effects of options, warrants and convertible securities. Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of Common and Common Stock equivalent shares outstanding during the period. Common equivalent shares are excluded from the computation if their effect is antidilutive.

Use of Estimates in Preparation of Financial Statements

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenue, expenses and disclosure of contingent assets and liabilities to prepare these financial statements in accordance with accounting principles generally accepted in the United States of America. Accordingly, actual results may differ from those estimates.

Use of Consolidation Method of Accounting

The Company utilizes the Consolidation Method of accounting for its investment in Energy Partners pursuant to ARB 51 as amended by FAS160. Under this method, the parent consolidates 100% of the subsidiary's assets and liabilities, regardless of the parent's actual percent equity ownership, and records in the equity section of the consolidated balance sheet any non-controlling interest representing the value of the subsidiary's equity not owned by the parent. Any such non-controlling interest is recorded separately from the parent's equity. The parent also consolidates 100% of the subsidiary's income and expenses. Any net income attributable to a non-controlling interest is subtracted from the net income attributable to the consolidated entity to give the net income attributable to the parent on the consolidated income statement. Management believes that this method is appropriate as the officers and directors of BenchMark also have full legal and management control in Energy Partners. Intercompany accounts and transactions have been eliminated.

Fair Value of Financial Instruments

The carrying amounts of cash, prepaid expenses, accounts payable and notes payable approximate fair value because of the short maturity of these items.

Accounts Receivable

Accounts receivable are carried on a gross basis, less allowance for doubtful accounts. Management estimates the allowance for doubtful accounts based on existing economic conditions, the financial conditions of customers and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for doubtful accounts only after reasonable collection attempts have been exhausted.

Inventories

Inventories consist of raw materials and the costs of acquiring and holding those raw materials in inventory. Inventories are valued at the lower of cost or market. Inventory values during the year ended September 30, 2012 were subject to reductions of $30,395 to the lower of cost or market. Cost is determined based on the first-in, first-out method.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the purchase price is fixed or determinable and collectability is reasonably assured.

Statement of Cash Flows

For the purpose of the statement of cash flows, cash includes amounts "on-hand" and amounts deposited with financial institutions.

Recently Issued Accounting Pronouncements

The Company has adopted updates issued by the Financial Accounting Standards Board (“FASB”) to the authoritative hierarchy of GAAP. These changes establish the FASB Accounting Standards Codification (“ASC”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Consolidated Financial Statements.

The Company does not expect the adoption of any other recently issued accounting pronouncements to have a significant impact on its results of operations, financial position or cash flow.

In June 2011, ASC guidance was issued related to comprehensive income. Under the updated guidance, an entity will have the option to present the total of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the update required certain disclosure requirements when reporting other comprehensive income. The update does not change the items reported in other comprehensive income or when an item of other comprehensive income must be reclassified to income. Subsequently, in December 2011, the FASB issued its final standard to defer the new requirement to present components of reclassifications of other comprehensive income on the face of the income statement. Companies will still be required to adopt the other requirements contained in the new standard on comprehensive income. The adoption of this guidance had no impact on the Company’s financial position, results of operations or cash flows.

In May 2011, ASC guidance was issued related to disclosures around fair value accounting. The updated guidance clarifies different components of fair value accounting including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity’s shareholders’ equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in Level 3 of the fair value hierarchy. The update is effective for the Company's fiscal year beginning October 1, 2012. The Company does not expect the updated guidance to have a significant impact on the financial position, results of operations or cash flows.

4. GOING CONCERN AND MANAGEMENT PLANS

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of September 30, 2012, the Company had an accumulated deficit of $1,929,735, negative working capital of $1,315,704, raising substantial doubt about its ability to continue as a going concern.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Continuation of the Company as a going concern is dependent on the Company continuing to raise capital, acquiring or merging with another business entity, developing significant revenues and ultimately attaining profitable operations.

5. PREPAID EXPENSES

In December 2011, the Company entered into a contract with the University of North Dakota ("UND") to conduct research on the use of glycerin with coal as a co-combustion supplemental fuel. The Company's obligation was to fund $60,000 toward the study during the period of December 1, 2011 – December 31, 2012. The contract was amended on March 8, 2012, to expand the scope of the research for an additional cost of $70,000. As of September 30, 2012, the Company had paid $40,000 of its $130,000 total. The Company amortizes the expense related to the contract on a monthly basis. The balance of prepaid expenses related to the contract with UND at September 30, 2012 is $90,000. The Company has an additional $900 in prepaid expenses related to corporate housing. In January 2013, the Company and UND executed an amended agreement whereby the Company reduced its contractual obligation to $88,000. As of the date of this filing, the Company has a remaining outstanding balance of $48,000 (see Note 14 – Subsequent Events). Additionally, the Company has $7,357 in prepaid insurance costs.

6. INVENTORIES

The Company currently has an off-take agreement to accept glycerin and soap stock production from a biodiesel facility in Canada at a price significantly below market. For this purpose, the Company will have a temporary inventory in both of these raw materials. All costs associated with the procurement of the raw materials are included in the respective inventory costs. At September 30, 2012, the Company had glycerin inventory valued at $58,650 and soap stock inventory valued at $7,148. The inventory values are carried at the lower of cost or market. In the year ended September 30, 2012, $30,395 of reductions to the valuations of these inventories were recorded.

7. PROPERTY, PLANT AND EQUIPMENT

The Company purchased a vehicle for business use in April 2011 and purchased 2 additional vehicles during the year ended September 30, 2012. The Company uses the straight line of depreciation method and estimates the useful life of the vehicle at 5 years.

	September 30, 2012	September 30, 2011
Vehicles	$ 34,470	$ 17,927
Furniture and fixtures	1,624	-
Total cost	36,094	17,927
Less: accumulated depreciation	(4,992)	(1,184)
Property, plant and equipment, net	$ 31,102	$ 16,743

8. DEFERRED REVENUE

The Company receives Alternative Fuel Credits for its products that are sold to be used as a recycled fuel under the guidelines as established by the Internal Revenue Service under Form 8849. At September 30, 2012, the Company had received aggregate credits in advance in the amount of $738,005. *(See Note 11. Subsequent Events).*

9. SHORT TERM NOTES PAYABLE

The Company has short term loans from Community Bank. Both loans accrue interest at 5.5%. The outstanding balances, including interest, at September 30, 2012 and 2011 on the notes is as follows:

	September 30, 2012	September 30, 2011
Note payable – 7/5/2011	$ 52,433	$ 65,852
Note payable – 7/11/2012	65,793	-

Total notes payable	$ 118,226	$ 65,852

10. INCOME TAXES

Income taxes are provided pursuant to SFAS No. 109 Accounting for Income Taxes. This statement requires the use of an asset and liability approach for financial reporting for income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized. Accordingly, as the realization and use of the net operating loss carryforward is not probable at September 30, 2012, the tax benefit of the loss carryforward is offset by a valuation allowance of the same amount.

The composition of the Company's deferred tax assets and the tax effects of temporary differences and carryforwards that give rise to deferred assets are as follows:

	2012	2011
Income tax recovery at statutory rate	$ 464,838	$ 80,728
Valuation allowance change	(464,838)	(80,728)
Provision for income taxes	$ -	$ -

At September 30, 2012 and 2011 deferred tax assets consisted of the following:

	2012	2011
Net operating losses	$ 695,490	$ 230,652
Less: valuation allowance	(695,490)	(230,652)
Net deferred tax asset	$ -	$ -

No provision for income taxes has been recorded for the periods ended September 30, 2012, 2011 and 2010, as the Company has incurred losses during those periods.

The Company has approximately $464,838 of federal and $0 of state net loss carryforwards available to reduce future federal and state tax liabilities which will begin to expire in 2031.

11. CONVERTIBLE PREFERRED STOCK

The Company has 5,000,000 shares of $.001 par value Preferred Stock authorized. Pursuant to the terms of the Stock Purchase Agreement and Plan of Reorganization (the "SPA"), the Company issued 100 shares of non-revocable, Series A Convertible Preferred Stock ("Series A") and 100 shares of non-revocable, Series B Convertible Preferred Stock ("Series B") and 20,000,000 shares of BenchMark Common Stock in exchange for 49% of the membership interests in Energy Partners and the retirement to Treasury (*See Note 11. Treasury Stock*) of 155,344 shares of BenchMark Common Stock previously purchased by Energy Partners on July 11, 2011. Energy Partners had purchased the 155,344 shares which represented 52.18% of the issued and outstanding Common Stock of Optical Systems Inc. in a private transaction which resulted in a change in control of the corporation on July 11, 2011.

The Series A shall convert into 50% of fully paid and nonassessable shares of the Corporation's Common Stock on a one share for one half of one percent (1/2 of a percent) share basis, (the "Conversion Rate"). The Conversion Rate shall be based on the total number of shares issued and outstanding, on a fully diluted basis as set and confirmed by the Company and the Company's transfer agent on the date of conversion. Time of conversion shall be determined at the sole discretion of the shareholder of record. The Series A shall have one vote per share until said shares are retired at time of conversion. The Series B shall convert into Common Stock at a ratio of 1 for 1. Time of conversion shall be determined at the sole discretion of the shareholder of record. Each share of Series B shall be entitled to 1,000,000 votes until such shares are converted into Common Stock.

The par value of the Preferred stock for each Series A and Series B is $.001 and, therefore, for 100 shares, the value is negligible for purposes of financial statement presentation.

12. COMMON STOCK, WARRANTS, ADDITIONAL PAID IN CAPITAL

Warrants

On November 10, 2011, the Board of Directors agreed to raise capital via a private placement offering of BenchMark securities sold pursuant to the exemption under Regulation D promulgated under the Securities Act of 1933, as amended. The private placement offers units of BenchMark securities for sale at a price of $0.50 per unit for a maximum of One Million Dollars ($1,000,000), or Two Million (2,000,000) Units. Each Unit consists of one share of BenchMark Common Stock, $.001 par value per share, and one Common Stock Purchase Warrant with a right to purchase one share of the Company's Common Stock for an exercise price of One Dollar ($1.00) per share ("Warrant"). If not exercised, the Warrants will expire on the close of business on the three year anniversary of the warrant agreement.

At September 30, 2012 the Company had 1,177,000 Warrants for the purchase of BenchMark Common Stock. The Company assigned the full value of the purchase price paid for the units, $0.50 per unit, to Common Stock, par value $.001 and additional paid in capital. The Company did not assign any value to the Warrants due to the illiquid nature of the Company's Common Stock and the high level of uncertainty that the Company's stock price will attain the Warrant exercise price of $1.00. *(See Note 14. Subsequent Events).*

Common stock

From the period of October 1, 2011 to September 30, 2012, the Company has received $588,500 from private investors causing the issuance of 1,177,000 shares of restricted common stock, par value $.001 and the issuance of 197,000 warrants for the purchase of BenchMark common stock. As of the date of this filing, the Company has 23,247,121 shares of common stock issued and outstanding and 1,332,000 Warrants for the purchase of the Company's common stock.

13. TREASURY STOCK

On September 14, 2011, pursuant to the terms of the SPA, the members of Energy Partners agreed to retire to Treasury the 155,344 shares of BenchMark common stock previously purchased on July 11, 2011, in exchange for 49% of the membership interests in Energy Partners and the issuance of 100 shares of non-revocable, Series A Convertible Preferred Stock ("Series A") and 100 shares of non-revocable, Series B convertible preferred stock ("Series B") and 20,000,000 shares of BenchMark common stock. The return of the shares was accounted for using the par value method in which the par value of the treasury shares was debited to treasury stock and the balance of $74,845 was charged to accumulated deficit.

14. SUBSEQUENT EVENTS

From the period of October 1, 2012 to present, the Company has received $543,500 from private investors causing the issuance of 1,087,000 shares of restricted common stock, par value $.001 and the issuance of 1,087,000 Warrants for the purchase of BenchMark common stock. As of the date of this filing, the Company has 23,247,121 shares of common stock issued and outstanding and 1,332,000 Warrants for the purchase of the Company's common stock.

Deliveries of glycerin from October 1, 2011 – May 31, 2012 were applied to reduce the Company's obligation to the IRS for alternative fuels credits received in advance of product delivery. At July 23, 2013, the Company's obligation to the IRS for alternative fuel credits received in advance of product delivery was $683,486.

In January 2013, the Company reached an agreement with the University of North Dakota ("UND") to reduce its contract with UND to conduct research on the use of glycerin with coal as a co-combustion supplemental fuel from $130,000 to $88,000. Remaining payments were scheduled as follows: March 31, 2013 - $10,000, April 30, 2013 - $10,000 and June 30, 2013 - $28,000. As of the date of this filing, the Company has not made any additional payments towards its outstanding balance, which is $48,000.

In July 3013, the Company amended the articles of incorporation of the Company to increase the number of authorized shares of its $0.001 par value common stock to 480,000,000 shares and authorized the issuance of up to 20,000,0000 shares of preferred stock. In conjunction with this action, the Company exchanged the Series A and Series B preferred stock outstanding at that time for 1,000,000 shares of Series E preferred stock. The Series E preferred stock votes twice the number of outstanding shares of the Company's common stock outstanding such that the Series E preferred stock shall always represent two-thirds of the voting rights of the Company. In addition, the Company cancelled the treasury stock outstanding at June 30, 2013.

In July 2013, the Company ratified an agreement to issue 700,000 share of its $0.001 par value common stock to each of three consultants in exchange for strategic planning, capital formation, and business planning services. The shares have not yet been issued. The fair market value of the shares on the date of ratification was $1,092,000.

In July 2013, the Company changed its fiscal year to December 31.