UMED HOLDINGS, INC.
Consolidated Balance Sheet - Unaudited
December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash	$ 195,443	$ 2,333
Prepaid expenses	76,198	0
Total Current Assets	271,641	2,333
Fixed assets		
Land	150,000	0
Buildings	871,842	0
Property & equipment	988,051	13,221
	2,009,893	13,221
Less depreciation	75,139	13,221
	1,934,754	0
Other Assets		
Investments	206,000	190,000
Total Assets	$ 2,412,395	$ 192,333
Liabilities & Stockholders' (Deficit)		
Current Liabilities		
Accounts payable	$ 1,391	$ 0
Advances from stockholders	76,547	153,387
Accrued management fees	1,631,655	822,655
Accrued expenses	213,048	90,000
Current portion of long term debt	201,000	0
Total Current Liabilities	2,123,641	1,066,042
Long Term Debt	1,090,831	0
Less current portion	201,000	0
	889,831	0
Total Liabilities	3,013,472	1,066,042
Stockholders’ Equity		
Preferred stock, 20,000,000 shares authorized, par value $0.0001, 15,738,894 and 1,738,894 issued and outstanding at December 31,2012 and December 31, 2011, respectively	1,574	1,574
Common stock 300,000,000 shares authorized, par value $0.0001, 125,269,141 and 112,851,670 issued and outstanding at December 31, 2012 and 2011, respectively	12,526	11,285
Additional paid-in capital	2,454,721	1,291,216
Accumulated deficit	(3,069,898)	(2,177,784)
Total Stockholders' Equity	(601,077)	(873,709)
Total Liabilities & Stockholders' Equity	$2,412,395	$ 192,333

The accompanying notes are an integral part of these financial statements

UMED HOLDINGS, INC.
Consolidated Statements of Operations – Unaudited
For the years ended December 31, 2012 and 2011

	2012	2011
Revenues		
Sales	$ 59,257	$ 0
Less cost of sales	32,221	0
Gross Profit	27,036	0
Expenses		
General and administration	1,441,932	1,254,520
Depreciation	61,918	3,221
Total Expenses	1,503,850	1,257,741
Operating Income (Loss)	(1,476,814)	(1,257,741)
Other Income (Expense)		
Interest expense	(60,727)	0
Donations for debt retirement	645,427	0
Write-off of investment in GTL technology	0	(473,000)
Impairment loss on GTL assets	0	(100,000)
Total Other Income (Expense)	584,700	(573,000)
Net Loss Before Income Taxes	(892,114)	(1,830,741)
Provision for Income Taxes	-	-
Net Income (Loss)	$ (892,114)	$ (1,830,741)
Loss Per Share-Basic and Diluted	$ (0.01)	$ (0.02)
Weighted Average Number of Shares	118,991,313	102,037,874

The accompanying notes are an integral part of these financial statements

UMED HOLDINGS, INC.
Consolidated Statements of Stockholders' Equity - Unaudited

Stockholders'	Preferred Stock Number of Shares	Preferred Stock Par Value ($0.0001) Amount	Common Stock Number of Shares	Common Stock Par Value ($0.0001) Amount	Additional Paid-In-Capital	Accumulated Deficit	Total Equity
Balance at December 31, 2008	938,894	$ 94	16,216,363	$ 1,622	$ 1,987,961	$(2,678,131)	$ (688,454)
Merger reorganization adjustment					(1,987,961)	2,678,131	690,170
Issuance of common stock for Services	-	-	3,255,169	325	165,309	-	165,634
Issue of common stock for Merger			57,500,000	5,750			5,750
Net Loss	-	-	-	-	-	(167,068)	(167,068)
Balance at December 31, 2009	938,894	$ 94	76,971,532	$ 7,697	$ 165,309	$ (167,068)	$ 6,032
Conversion of preferred stock to common stock	(200,000)	(20)	3,000,000	300	(280)	-	-
Sale of common stock			902,000	90	54,836	-	54,926
Issuance of common stock for Services	-	-	1,353,850	135	108,173	-	108,308
Issue of common stock for Mineral Leases			5,066,000	507	99,493		100,000
Net Loss	-	-	-	-	-	(179,975)	(179,975)
Balance at December 31, 2010	738,894	$ 74	87,293,382	$ 8,729	$ 427,531	$ (347,043)	$ 89,291
Sales of common stock			6,000,000	600	312,400		313,000
Advances from shareholders Converted to common stock			2,941,325	294	297,099		297,393
Issuance of preferred stock for services	5,000,0000	1,500					1,500
Issuance of common stock for Investments			10,000,000	1,000	99,000		100,000
Issuance of common stock to Management for services			1,875,000	188	18,562		18,750
Shares issued for consulting			4,141,963	414	46,685		47,099
Investment in Jet Tech			600,000	60	89,940		90,000
Net Loss	-	-	-	-	-	(1,830,741)	(1,830,741)
Balance at December 31, 2011	15,738,894	$ 1,574	112,851,670	$ 11,285	$ 1,291,216	$(2,177,784)	$(873,709)
Sale of common stock			500,000	50	24,950		25,000
Advances from shareholders Converted to common stock			4,654,723	465	519,535		520,000
Shares issued for services			1,662,748	166	90,250		90,416
Investment in Rig Support			100,000	10	9,990		10,000
Investment in Mamaki Tea			5,500,000	550	518,780		519,330
Net Loss	-	-	-	-	-	(892,114)	(892,114)
Balance at December 31, 2012	15,738,894	$ 1,574	125,269,141	$ 12,526	$ 2,454,721	$(3,069,898)	$(601,077)

The accompanying notes are an integral part of these financial statements

UMED HOLDINGS, INC.
Consolidated Statements of Cash Flows - Unaudited
For the years ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Net (Loss)	$(892,114)	$(1,830,741)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	61,918	3,221
Stock issued for services	90,416	67,348
Write-off of investment in GTL technology	0	573,000
Changes in operating assets and liabilities:		
Prepaid expenses	(76,198)	0
Accounts payable	1,391	0
Accrued management fees	809,000	822,655
Accrued expenses	123,048	90,000
Net Cash Provided by (Used in) Operating Activities	117,461	(274,517)
Cash Flows (Used in) Investing Activities		
Purchase of property and equipment	(1,983)	0
Investment in Mamaki Tea of Hawaii, Inc.	(384,528)	0
Investment in Rig Support	(6,000)	0
Investment in G2L unit	(0)	(473,000)
Net Cash Provided (Used)in Investing Activities	(392,511)	(473,000)
Cash Flows from (Used in) Financing Activities		
Advances from shareholders converted to common stock	443,160	436,830
Sale of common stock	25,000	313,000
Net Cash Provided by (Used in) Financing Activities	468,160	749,830
Net Increase (Decrease) in Cash	193,110	2,313
Cash Beginning of Period	2,333	20
Cash End of Period	$ 195,443	$ 2,333
Supplemental Disclosure of Cash Flow Information:		
Cash Paid during the period for interest	$ 0	$ 0
Common stock issued for GTL Manufacturing and Operations	$ 0	$100,000
Common stock issued for Jet Regulators, Ltd.	$ 0	$ 90,000
Common stock issued for Mamaki Tea & Etract, Inc.	$ 185,478	$ 0

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

UMED Holdings, Inc. ("UMED" or the "Company") was organized on March 13, 2002 under the laws of the State of Texas as "Dynalyst Manufacturing Corporation". On August 18, 2009, in connection with a merger with Universal Media Corporation, a privately held Nevada company, the Company changed its name to "Universal Media Corporation ("Universal Media"). The company changed its name to UMED Holdings, Inc. on March 23, 2011. See discussion in Note 2 Merger and Recapitalization.

UMED's mission is to operate as a holding company through the acquisition of businesses as wholly-owned subsidiaries that meet some key requirements: 1) solid management that will not have to be replaced in the near future 2) the ability to grow with steady growth to follow and 3) an emphasis on emerging core industry markets, such as energy, metals and agriculture. It is the Company's intention to add experienced personnel and select strategic partners to manage and operate the acquired business units.

In September 2010, UMED has acquired 1,440 acres of placer mining claims on Bureau of Land Management land in Mohave County, Arizona. See discussion in Note 7,

In October 2011, UMED has acquired a 49% interest in Jet Regulators, LP, an aircraft maintenance company located at Meacham Field in Fort Worth, Texas. See discussion in Note 7.

In May 2012, the Company acquired 80% of Mamaki Tea & Extract of Hawaii, Inc. which owns and operates Wood Valley Plantation a 25 acre Mamaki Tea plantation located in the Kau district of the Big Island and lies at the foot of Mauna Loa, the Earth's largest volcano. See discussion in Note 5.

In August 2012, the Company acquired 100% of Greenway Innovative Energy, Inc. which owns proprietary technology that is capable of converting natural gas to diesel/jet fuels. See discussion in Note 5.

In August 2012, the Company acquired 50% of Rig Support Group, Inc., which has developed proprietary software to track each piece of a drilling rig. See discussion in Note 7.

The Company's year-end is December 31.

NOTE 2 - MERGER AND RECAPITALIZATION

On August 18, 2009, the Company was merged with Universal Media Corporation ("Universal Media"), a private Nevada corporation. The transaction has been accounted for as a reverse merger, and Universal Media is the acquiring company on the basis that Universal Media's senior management became the entire senior management of the merged entity and there was a change of control of Dynalyst Manufacturing Corporation. In accordance with Accounting Standards Codification ("ASC") 805-10-40, *Business Combinations – Reverse Acquisitions*, Universal Media was the acquiring entity for accounting purposes. While the transaction is accounted for using the purchase method of accounting, in substance the transaction was a recapitalization of Dynalyst Manufacturing Corporation's capital structure.

From its inception, on March 13, 2002, until the date of the transaction on August 18, 2009, Dynalyst Manufacturing Corporation was a manufacturer of printed circuit board used for testing new electronic products using computer chips. Its assets and liabilities were transferred to a new corporation immediately following the consummation of the reverse merger. The historical financial statements are those of UMED, the accounting acquirer, immediately following the consummation of the reverse merger.

In connection with the merger, Dynalyst Manufacturing Corporation issued 57,500,000 restricted common shares to stockholders of UMED. The value of the stock that was issued to UMED's equity holders was $57,500, the then fair value of the Company's common stock. (See discussion Note__ Related Party Transactions). The issued and outstanding number of common shares subsequent to the closing was 76,971,532. In connection with the merger, existing stockholders retained 19,471,532 common shares.

NOTE 3 - BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTIES

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of UMED and its subsidiary (refer below table) are prepared to conform to accounting principles generally accepted in the United States of America. All significant inter-company accounts and transactions were eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the following entities, all of which the Company maintains control through a majority ownership:

Name of Entity	%		Form of Entity	State of Incorporation	Relationship
UMED Holdings, Inc.	-		Corporation	Texas	Parent
Mamaki Tea & Extract, Inc.	100	%	Corporation	Nevada	Holding Sub
Universal Media Corporation	100	%	Corporation	Wyoming	Holding Sub
Greenway Innovative Energy, Inc.	100	%	Corporation	Nevada	Holding Sub

Going Concern Uncertainties

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statement, the Company has incurred a deficit of $601,077 as of December 31, 2012. The ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations or on the ability of the Company to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans enable it to continue as a going concern for the next twelve months.

To meet these objectives, the Company continues to seek other sources of financing in order to support existing operations and expand the range and scope of its business. However, there are no assurances that any such financing can be obtained on acceptable terms and timely manner, if at all. The failure to obtain the necessary working capital would have a material adverse effect on the business prospects and, depending upon the shortfall, the Company may have to curtail or cease its operations.

The accompanying consolidated financial statements do not include any adjustment to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the presentation of consolidated financial statements are as follows:

Property & Equipment

Property and equipment is recorded at cost. Major additions and improvements are capitalized. The cost and related accumulated depreciation of equipment retired or sold are removed from the accounts and any differences between the undepreciated amount and the proceeds from the sale are recorded as a gain or loss on sale of equipment. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows.

Buildings	20 years
Mamaki bushes	15 years
Equipment	5 to 7 years

Impairment of Long-Lived Assets

We assess the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with ASC Topic 360, “Property, Plant and Equipment.” An asset or asset group is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset or asset group is expected to generate. If an asset or asset group is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds its fair value. If estimated fair value is less than the book value, the asset is written down to the estimated fair value and an impairment loss is recognized.

The Company has determined the future realization of its investments in G2L in the near term has been impaired due to lack of technology. The Company has decided to take an impairment reserve of $473,000 as discussed in Note 12 below against advances it had make towards the technology agreement and a $100,000 impairment reserve against its investment in G2L manufacturing and operating entities as discussed in Note 6 below .

Revenue Recognition

The Company will recognize revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arraignments (“ASC 605-25”). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing 605-25 on the Company's financial position and results of operations was not significant.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ materially from the estimates.

Cash and Cash Equivalent

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2012 cash consists of a checking account and money market account held by financial institutions.

Mine Exploration and Development Costs

The Company accounts for mine exploration costs in accordance with Accounting Standards Codification 932, *Extractive Activitie.* All exploration expenditures are expensed as incurred. Mine development costs are capitalized until production, other than production incidental to the mine development process, commences and are amortized on a units of production method based on the estimated proven and probable reserves. Mine development costs represent costs incurred in establishing access to mineral reserves and include costs associated with sinking or driving shafts and underground drifts, permanent excavations, roads and tunnels. The end of the development phase and the beginning of the production phase takes place when construction of the mine for economic extraction is substantially complete. Coal extracted during the development phase is incidental to the mine's production capacity and is not considered to shift the mine into the production phase. Amortization of capitalized mine development is computed based on the estimated life of the mine and commences when production, other than production incidental to the mine development process, begins. Through December 31, 2012, the Company had not incurred any mine development costs.

Mine Properties

The Company accounts for mine properties in accordance with Accounting Standard Codification 930, *Extractive Activities-Mining.* Costs of acquiring mine properties are capitalized by project area upon purchase of the associated claims. Mine properties are periodically assessed for impairment of value and any diminution in value. The Company had 1,440 acres of placer mining claims as of December 31, 2012, which were acquired in exchange for 5,066,000 shares of common stock valued at $100,000.

Income Taxes

The Company accounts for income taxes in accordance with accounting guidance now codified as FASB ASC 740, "Income Taxes," which requires that the Company recognize deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax benefit (expense) results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when it is more likely than not that some or all deferred tax assets will not be realized.

The Company has adopted the provisions of FASB ASC 740-10-05 "Accounting for Uncertainty in Income Taxes." The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Net Loss Per Share, basic and diluted

The Company has adopted Accounting Standards Codification Subtopic 260-10, *Earnings Per Share* ("ASC 260-10) specifying the computation, presentation and disclosure requirements of earning per share information. Basic loss per share has been computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding for the period. Shares issuable upon conversion of the notes payable and exercise of warrants has been excluded as a common stock equivalent in the diluted loss per share because their effect is anti-dilutive on the computation.

Derivative Instruments

The Company accounts for derivative instruments in accordance with Accounting Standards Codification 815, *Derivatives and Hedging ("ASC 815"),* which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

At December 31, 2012, the Company has not engaged in any transactions that would be considered derivative instruments or hedging activities.

Fair Value of Financial Instruments

The Company's financial instruments, as defined by Accounting Standard Codification subtopic 825-10, Financial Instrument ("ASC 825-10), include cash, accounts payable and convertible note payable. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2012.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions

The Company does not have any assets or liabilities measured at fair value on a recurring basis at December 31, 2012. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the period ended December 31, 2012.

Stock Based Compensation

The Company follows Accounting Standards Codification subtopic 718-10, *Compensation* ("ASC 718-10") which requires that all share-based payments to both employees and non-employees be recognized in the income statement based on their fair values.

As of December 31, 2012, the Company did not have any issued or outstanding stock options.

Concentration and Credit Risk

The Company's principal operations are all carried out in Indonesia. Accordingly, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environments in Indonesia, and by the general state of Indonesia's economy. The Company's operations in Indonesia are subject to specific considerations and significant risks not typically associated with companies in North America. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange. The Company's results may be adversely affected by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things.

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and trade receivables. The Company places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Research and Development

The Company accounts for research and development costs in accordance with Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved as defined under the applicable agreement. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company did not incur any research and development expenses from March 12, 2004 (date of inception) through December 31, 2012.

Accounting for Business Combinations

We use the acquisition method of accounting under the authoritative guidance on business combinations. Each acquired company's operating results are included in our consolidated financial statements starting on the date of acquisition. The purchase price is equivalent to the fair value of consideration transferred. Tangible and identifiable intangible assets acquired and liabilities assumed as of the date of acquisition are recorded at fair value as of the acquisition date. Goodwill is recognized for the excess of purchase price over the net fair value of assets acquired and liabilities assumed. Contingent consideration, which is primarily based on the business achieving certain performance targets, is recognized at its fair value on the acquisition date, and changes in fair value are recognized in earnings until settled. No such changes have been recognized for the years ended December 31, 2012 and 2011. The fair value of the contingent consideration is based on our estimations of future performance of the business and is determined based on level two observable inputs.

Issuance of Common Stock

The issuance of common stock for other than cash is recorded by the Company at management's estimate of the fair value of the assets acquired or services rendered.

Impact of New Accounting Standards

The Company has adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105-10, Generally Accepted Accounting Principles – Overall ("ASC 105-10"), which was formerly known as SFAS 168. ASC 105-10 establishes the FASB Accounting Standards Codification (the "Codification") 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 U.S. GAAP. Rules and interpretive releases of the Securities and Exchange Commission (the "SEC") under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards and all other non-grandfathered, non-SEC accounting literature not included in the Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis of conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

The Company has reviewed all other recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operation, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its consolidated financial statements.

NOTE 5 – ACQUITIONS

On May 2, 2012, we acquired 100% of Mamaki Tea & Extract of Hawaii, Inc. to expand our diversification of asset and operations. Mamaki Tea is a 25 acres operating mamaki tea farm located on the Big Island of Hawaii. We acquired Mamaki Tea for 5,000,000 shares of the Company's restricted common stock plus $150,000 of cash. On December 31, 2012, we acquired the remaining 20% for 500,000 shares of restricted common stock and $127,800 of cash. As additional consideration to the Mamaki officers and shareholders, we have agreed to issue shares of restricted common stock at the following Mamaki revenue levels;

500,000 shares when Mamaki revenues reach $400,000

1,000,000 shares when Mamaki revenues reach $1,000,000

1,500,000 shares when Mamaki revenues reach $5,000,000

2,000,000 shares when Mamaki revenues reach $10,000,000

3,000,000 shares when Mamaki revenues reach $25,000,000

On August 23, 2012, we acquired 100% of Greenway Innovative Energy, Inc. to acquire the intellectual property associated with Gas To Liquid, which converts natural gas to diesel and jet fuel. We acquired Greenway for 6,000,000 shares of the Company's restricted common stock. We have the right to repurchase 50% of the shares within the first 15 months from the date of the agreement, if Greenway does not have a portable Gas to Liquid (GTL) patient on file or Greenway does not have a provisional patent covering the catalytic reaction process. We have agreed to issue an additional 7,500,000 shares of restricted common stock when the first portable GTL unit is build and becomes operational. Also, we have agreed to pay Greenway a 2% royalty on all gross production sales on each unit placed in production.

Mamaki Tea and Greenway were both created at the time of their acquisition by the Company and all of their operating data is included in the 2012 financials.

NOTE 6 – PRPOERTY, PLANT AND EQUIPMENT

Property, plant and equipment, their estimated useful lives, and related accumulate depreciation at December 31, 2012 and 2011, respectively, are summarized as follows:

	Range of Lives in Years	December 31, 2012	December 31, 2011
Buildings	20	$ 871,842	$ 0
Mamaki tea bushes	20	750,000	0
Equipment	5	20,254	13,221
Furniture and Fixtures	5	317	0
		1,857,894	13,221
Less: Accumulated Depreciation		(75,139)	(13,221)
		$1,782,755	$ 0
Depreciation Expense		$ 61,918	$ 3,221

NOTE 7 – INVESTMENTS

Investments consisted of the following at December 31, 2012 and 2011;

	2012	2011
Arizona Mining Leases		
In December 2010, the Company acquired to rights to certain placer mining leases on Bureau of Land Management land in Mohave County, Arizona. The Company issued 5,066,000 shares of restricted common stock for the rights to the placer mining leases and valued the shares at a conservative amount of $100,000. The Company is in the process of obtaining current samples for testing to give it a basis for developing a mining program. The shares were valued at a nominal amount.	**$100,000**	**$100,000**
Jet Tech LLC		
In October 2011, the Company acquired a 49% interest in JetTech LLC (Exhibit 10.8) which is an aerospace maintenance operation located at Meacham Airport in Fort Worth, Texas for 600,000 shares of the Company's restricted common stock. The shares were valued at $.15 per share.	**90,000**	**90,000**

Rig Support Services

In February, 2012, the Company acquired a 50% interest in Rig Support Services, Inc. (Exhibit 10.7) for 600,000 shares of restricted common stock (100,000 shares issued at December 31, 2012) , which has implemented a unique and valuable technology and asset management Tool for the Oil and Gas Industry. This tool will not only provide independent rig owners and operating companies the ability to more accurately view and report on drilling operations, it will also allow for a more streamlined approach to processing purchase orders, receiving parts, saving dollars And ensuring increased efficiency by significantly decreasing rig down---time due to mechanical break---downs. The investment at December 31, 2012 includes the 100,000 shares valued at $6,000 plus $10,000 advanced to Rig Support.

	16,000	**0**
TOTAL INVESTMENTS	**$206,000**	**$100,000**

NOTE 8 – TERM NOTES PAYABLE

Term notes payable consisted of the following at December 31, 2012 and 2011:

	December 31, 2012	**December 31, 2011**
Secured Note Payable dated August 17, 2012– Southwest Capital Funding, Ltd. at 7.7% due, payable on 15 year amortization schedule with balance due on August 16, 2017	$ 838,358	$ 0
Secured Note Payable dated August 17, 2012– Bob Romer at 9.0% due, payable on 15 year amortization schedule with balance due on August 16, 2015	149,375	0
Unsecured Note Payable dated August 17, 2012 – Bob Romer - monthly installments of $1,500, including interest at 9%, through 2017	98,750	0
Secured Note Payable – John Deere – monthly installments of $4,632, including interest at 4.9% through December 2016	4,348	0
Totals	1,090,831	0
Less: Current portion	201,000	0
Term Notes Payable - Long term portion	$ 889,831	$ 0

Accrued interest payable on the term notes payable was $30,169 and $0 at December 31, 2012 and 2011, respectively.

NOTE 9 – ACCRUED EXPENSES

Accrued expenses consisted of the following at December 31, 2012 and 2011:

		December 31, 2012		December 31, 2011
Accrued consulting fees	$	180,000	$	90,000
Accrued interest expense		30,168		0
Accrued miscellaneous expenses		2,880		0
Total Accrued Expenses	$	213,048	$	90,000

NOTE10 – CAPITAL STRUCTURE

The Company's capital structure is not complex. The Company is authorized to issue 300,000,000 shares of common stock with a par value of $.0001 per share and 20,000,000 shares of preferred stock with a par value of $.0001 per share. Each common stock share has one voting right and the right to dividends if and when declared by the Board of Directors.

Common Stock

At December 31, 2012, there were 125,269,141 shares of common stock and 15,738,894 shares of preferred stock, respectively, issued and outstanding.

In December 2012, the Company issued 2,454,723 shares of restricted common stock for the conversion of $300,000 of advances to the Company.

In December 2012, the Company issued 500,000 shares of restricted common stock for the remaining 20% interest in Mamaki of Hawaii, Inc. and valued the shares at $269,330.

In September 2012, the Company issued 1,520,248 shares of restricted common stock for consulting services rendered to the Company and valued the shares at $76,164.

In May 2012, the Company issued 5,000,000 shares of restricted common stock for 89% of Mamaki of Hawaii, Inc. and valued the shares at $250,000.

In May 2012, the Company issued 142,500 shares of restricted common stock for legal services rendered to the Company and valued the shares at $14,252.

In May 2012, the Company issued 1,700,000 shares of restricted common stock for the conversion of $170,000 of advances to the Company.

In May 2012, the Company issued 500,000 shares of restricted common stock for $25,000 cash.

In April 2012, the Company issued 100,000 shares of restricted common stock to Rig Support Services, Inc. towards its investment and valued the shares at $6,000.

In March 2012, the Company issued 500,000 shares of restricted common stock for the conversion of $50,000 of advances to the Company.

In December 31, 2011, the Company 600,000 issued shares of restricted common stock in the acquisition of 49% interest in JetTech LLC and valued the shares at $90,000.

In June 2011, the Company issued 1,875,000 shares of restricted common stock (625,000) each to its President, Chief Executive Officer and Chief Financial Officer in accordance with their employment agreements. The shares were valued at a total of $18,750.

In June 2011, the Company issued 4,000,000 shares of restricted common stock for consulting services rendered to the Company and valued the shares at $40,000.

In June 2011, the Company issued 10,000,000 shares of restricted common stock (2,500,000) each to its President, Chief Executive Officer, Chief Financial Officer and outside consultant in the acquisition of their interest in Gas to Liquid manufacturing and operating companies owned by Resource Venture Partners LLC. The shares were valued at a conservative $100,000 as the future income potential is not certain at this time.

In March 2011, the Company issued 2,723,933 shares of restricted common stock for the conversion of $272,393 of advances to the Company.

In March 2011, the Company issued 6,217,392 shares of restricted common stock for $338,000 cash.

In February 2011, the Company issued 141,963 shares of restricted common stock for consulting services and valued the shares at$7,098.

In December 2010, the Company issued 5,066,000 shares of restricted common stock for it investment in the Arizona mining claims and valued the shares at $100,000.

In August 2010, the Company issued 902,000 shares of restricted common stock for $54,926 in cash.

In June 2010, the Company issued 200,000 shares of restricted common stock for legal services.

In April 2010, the Company issued 1,153,850 shares of restricted common stock for consulting services and valued the shares at $92,308.

In March 2010, the Company issued 3,000,000 shares of restricted common stock for the conversion of 200,000 shares of preferred shares with a conversion ratio of 15 common to 1 preferred.

In October 2009, the Company issued 3,255,169 shares of restricted common stock for consulting services and valued the shares at $165,634.

The issuance of these shares was exempt from the registration requirements of the Securities Act of 1933 under Section 4 (2) thereof.

Preferred Stock

At December 31, 2012, there were 15,738,894 shares of preferred stock, respectively, issued and outstanding. Each preferred shares is convertible, at the option of the preferred shareholder, into common stock with 738,894 being convertible at the rate of one preferred share for fifteen shares of common stock and 15,000,000 shares being convertible on a one for one basis. The 15,000,000 shares have voting rights equal to 15 votes per preferred share on all matters voted on by the Company's shareholders.

In June 2011, the Company issued restricted preferred stock in the following transactions;

- The Company's Board approved the issuance 5,000,000 shares of restricted preferred stock to its Chief Executive Officer. The Board approved that these preferred shares shall have 15 votes per preferred share on all matters voted on by the Company's shareholders. The shares were valued at par value of $500.

- *The Company's Board approved the issuance 5,000,000 shares of restricted preferred stock to its* President. The Board approved that these preferred shares shall have 15 votes per preferred share on all matters voted on
by the Company's shareholders. The shares were valued at par value of $500.

- The Company's Board approved the issuance 5,000,000 shares of restricted preferred stock to its Chief Financial Officer. The Board approved that these preferred shares shall have 15 votes per preferred share on all matters voted on by the Company's shareholders. The shares were valued par value of at $500.

In March 2010, there were 200,000 shares of preferred shares converted to 3,000,000 shares of restricted common stock at the conversion ratio of 15 common to 1 preferred.

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The issuance of these shares was exempt from the registration requirements of the Securities Act of 1933 under Section 4 (2) thereof.

Stock options, warrants and other rights

As of December 31, 2012, the Company has not adopted any employee stock option plans.

NOTE 11 – RELATED PARTY TRANSACTIONS

In June 2011, the Company's management agreed to assign to the Company a 30% interest in 1st Resource Ventures #1, LLC, a manufacturing company and a 30% interest in 1st Resource Operating Company LLC, an operating company for the Gas to Liquid Units related to the Company's agreement with 1st Resource Group, Inc. discussed in Notes 5 and 8 above. The Company issued 10,000,000 shares of restricted common stock for the assignment, which was the same number of shares originally paid by the members of management to Resource Venture Partners LLC, a company associated with 1st Resource Group, Inc. for the 30% interests in both entities.

The Company contended that the shares were obtained under false pretense and misleading information and sued 1st Resource Ventures #1, LLC to have the shares returned to the Company. The Company and 1st Resource Ventures #1, LLC reached a settlement agreement in 2012 whereby 1st Resource Ventures #1, LLC and its members agreed to return the 10,000,000 shares to the Company.

NOTE 12 – INCOME TAXES

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes include, but not limited to, accounting for intangibles, debt discounts associated with convertible debt, equity based compensation and depreciation and amortization.

The provision for income taxes for continuing operations consists of the following components for the years ended December 31:

		2012		2011
Current	$	-	$	-
Deferred		-		-
Total Provision for (Benefit from) Income Taxes	$	-	$	-

A comparison of the provision for income tax expense at the federal statutory rate of 34% for the years ended December 31 to the Company's effective rate is as follows:

	2012		2011	
Federal statutory rate	(34.0)	%	(34.0)	%
State tax, net of federal benefit	(3.3)		(3.3)	
Permanent differences and other including surtax exemption	0.1		0.1	
Valuation allowance	37.2		37.2	
Effective Tax Rate	0	%	0	%

The change in the valuation allowance was $584,800 and $839,000 for the years ended December 31, 2011 and 2010, respectively. There was an 80% change in ownership control in 2009 making it highly unlikely that subject to limitations set forth in Internal Revenue Code 382, the Company will be able to carry forward any benefits of the deferred tax assets created before the change in ownership. The Company has recorded a 100% valuation allowance related to the deferred tax asset for the loss from operations, interest expense, interest income and other income subsequent to the Swordfish Financial change in ownership, which amounted to $817,058 and $606,570 for the years ended December 31, 2011 and 2010, respectively.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, historical taxable income including available net operating loss carryforwards to offset taxable income, and projected future taxable income in making this assessment.

NOTE 13 – COMMITMENTS

Employment Agreements

In June 2011, the Company entered into employment agreements with its Chief Executive Officer, President and Chief Financial Officer. The Agreements are for a term of 5 years with compensation of $180,000 the first year, $240,000 the second year, $300,000 the third year, $350,000 the fourth year and the fifth year at a salary commensurate with those in similar industries. The employment agreements also provide for the officers to received 1,250,000 shares of restricted common stock annually for each year of the employment agreement. During the years ended December 31, 2012 and 2011, the Company accrued $720,000 and $540,000, respectively, as management fees in accordance with the terms of these agreements.

Leases

The Company is committed on a lease for 3,500 square feet of office space through August 2012 at the rate of $5,800 per month. During the years ended December 31, 2012 and 2011, the Company paid $69,600 and $ 29,000, respectively, in rent expense.

Legal

On December 15, 2011, after investing $473,000, the Company's terminated a technology agreement with 1st Resource Group, Inc. expired due to the Company's obtaining information that certain warrants made to it were not accurate and the ability to build the equipment related to the technology was not feasible at this time and will require a number of years of research and a larger amount of capital than what was originally disclosed to the Company. The Company has made the decision to write-off the $473,000 investment in the technology agreement as its future value is in doubt.

As discussed in Note 9 above, the Company also had invested in operating and manufacturing entities controlled by 1^{st} Resources Ventures #1, LLC. The Company contended that the shares were obtained under false pretense and misleading information and sued 1^{st} Resource Ventures #1, LLC to have the shares returned to the Company. The Company and 1^{st} Resource Ventures #1, LLC reached a settlement agreement in 2012 whereby 1^{st} Resource Ventures #1, LLC and its members agreed to return the 10,000,000 shares to the Company.

NOTE 14 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date these financial statements were issued and has determined that there are no subsequent events or transactions requiring recognition or disclosure in the financial statements.