



**Quarterly Report
For the First Quarter Ended March 31, 2012**

W2 Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada

20-1740321

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

**345 Woodlawn Rd. W
Guelph , Ontario N1H 1G3**

N1L 1B2

(Address of principal executive offices)

(Zip Code)

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

W2 ENERGY, INC.
Quarterly Report for the First Quarter ended March 31, 2012

Explanatory Note

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

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

ITEM 1 – ISSUER NAME AND ADDRESS

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

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

ITEM 2 – SHARES OUTSTANDING

As of March 31, 2012, there were 43,159,902 shares of our common stock issued and outstanding and held by 145 stockholders of record. We believe many of the shares of our common stock are held in “street name” and, therefore, we believe the actual number of shareholders is significantly higher. As of March 31, 2012, the public float for the Company consists of 23,746,750 shares of our Common Stock which are freely tradable.

On November 13, 2007, our Board of Directors approved a new class of preferred stock, consisting of 150,000,000 shares with a par value of \$0.001 per share, known as Class A Preferred Stock. The Preferred Stock has a dividend and liquidation preference to our common stock, has two votes per share on all matters requiring a shareholder vote, and each share is convertible into ten shares of our common stock at the election of the holder thereof. As of March 31, 2012, there are 16,078,745 shares of our Class A Preferred Stock issued and outstanding and held by 9 shareholders, two of which are our directors.

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

ITEM 3 – INTERIM FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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W2 ENERGY, INC
(A Development Stage Company)

Balance Sheets

	<u>ASSETS</u>	March 31, 2012	December 31, 2011
CURRENT ASSETS			
Cash	\$	62	\$ 64
Accounts receivable		12,089	12,089
Accounts receivable - related parties		500	500
Total Current Assets		12,651	12,653
PROPERTY AND EQUIPMENT, net		1,675,371	1,700,236
TOTAL ASSETS	\$	1,688,022	\$ 1,712,889
<u>LIABILITIES AND STOCKHOLDERS DEFICIT</u>			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	312,633	\$ 302,048
Convertible debentures		25,000	25,000
Notes payable		1,562,700	2,259,650
Total Current Liabilities		1,900,333	2,586,698
TOTAL LIABILITIES		1,900,333	2,586,698
STOCKHOLDERS DEFICIT			
Preferred stock; \$0.001 par value, 250,000,000 shares authorized, 16,078,745 and 8,078,745 shares issued and outstanding, respectively		16,079	8,079
Common stock, \$0.001 par value; 750,000,000 shares authorized; 43,159,902 and 6,817,971 shares issued and outstanding, respectively		43,160	6,818
Additional paid-in capital		22,793,646	20,528,263
Stock subscriptions payable		54,843	54,843
Other comprehensive income		(137,929)	(131,396)
Accumulated deficit		(22,982,109)	(21,340,416)
Total Stockholders' Deficit		(212,311)	(873,810)
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	\$	1,688,022	\$ 1,712,889

The accompanying notes are an integral part of these financial statements

W-2 ENERGY, INC
(A Development Stage Company)
Statements of Operations

	For the Three Months Ended March 31,		Stage on October 1, 1992 Through March 31,
	2012	2011	2012
REVENUES	\$ -	\$ -	\$ 284,101
COST OF GOODS SOLD	-	-	30,351
GROSS PROFIT (LOSS)	-	-	253,750
OPERATING EXPENSES			
Research and development	35,900	14,790	465,970
General and administrative	1,560,296	147,041	20,758,195
Impairment expense	-	25,006	35,006
Bad debt expense	-	-	133,474
Depreciation	24,965	28,779	270,234
Total Expenses	1,621,161	215,616	21,662,879
LOSS FROM OPERATIONS	(1,621,161)	(215,616)	(21,409,129)
OTHER INCOME (EXPENSES)			
Interest expense	(20,532)	(8,940)	(425,178)
Interest income	-	-	1,748
Total Other Income (Expenses)	(20,532)	(8,940)	(423,430)
DISCONTINUED OPERATIONS	-	-	(1,149,550)
NET LOSS	<u>\$ (1,641,693)</u>	<u>\$ (224,556)</u>	<u>\$ (22,982,109)</u>
OTHER COMPREHENSIVE INCOME			
Foreign currency translation adjustment	<u>\$ (6,533)</u>	<u>\$ -</u>	<u>\$ (137,929)</u>
TOTAL COMPREHENSIVE LOSS	<u>\$ (1,648,226)</u>	<u>\$ (224,556)</u>	<u>\$ (23,120,038)</u>
BASIC LOSS PER SHARE	<u>\$ (0.07)</u>	<u>\$ (0.09)</u>	
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>24,988,937</u>	<u>2,406,071</u>	

The accompanying notes are an integral part of these financial statements

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

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscriptions Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at October 1, 1992 (inception of development stage)	-	\$ -	546	\$ -	\$ 1,149,550	\$ -	\$ (1,149,550)	\$ -
Common stock issued for cash at \$5,000.00 per share in 1993	-	-	45	-	227,500	-	-	227,500
Common stock issued for cash at \$12,000.00 per share in 1993	-	-	10	-	120,000	-	-	120,000
Common stock issued for cash at \$11,600.00 per share in 1993	-	-	65	-	754,000	-	-	754,000
Common stock issued for cash at \$12,000.00 per share in 1994	-	-	54	-	645,000	-	-	645,000
Common stock issued for cash at \$20,000.00 per share in 1994	-	-	25	-	500,000	-	-	500,000
Common stock issued for cash at \$12,400.00 per share in 1994	-	-	55	-	689,000	-	-	689,000
Common stock issued for services at \$25,000.00 per share in 1994	-	-	20	-	500,000	-	-	500,000
Common stock issued for cash at \$20,000.00 per share in 1995	-	-	25	-	490,000	-	-	490,000
Common stock issued for cash at \$19,000.00 per share in 1995	-	-	19	-	361,000	-	-	361,000
Common stock issued for services at \$11,000.00 per share in 1995	-	-	37	-	408,100	-	-	408,100
Common stock issued for cash at \$5,400.00 per share in 1996	-	-	125	1	675,000	-	-	675,001
Common stock issued for cash at \$10,000.00 per share in 1996	-	-	5	-	46,301	-	-	46,301
Common stock issued for cash at \$8,620.00 per share in 1996	-	-	15	-	127,875	-	-	127,875
Common stock issued for services at \$4,740.00 per share in 1996	-	-	46	-	218,100	-	-	218,100
Balance forward	-	-	1,092	\$ 1	\$ 6,911,426	\$ -	\$ (1,149,550)	\$ 5,761,877

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

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

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscriptions Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance forward	-	\$ -	1,092	\$ 1	\$ 6,911,426	\$ -	\$ (1,149,550)	\$ 5,761,877
Common stock issued for cash at \$5,900.00 per share in 1997	-	-	93	-	548,948	-	-	548,948
Common stock issued for cash at \$5,380.00 per share in 1997	-	-	30	-	159,785	-	-	159,785
Common stock issued for cash at \$6,180.00 per share in 1997	-	-	11	-	68,000	-	-	68,000
Common stock issued for at \$6,000.00 per share in 1997	-	-	5	-	30,000	-	-	30,000
Common stock issued for cash at \$4,000.00 per share in 1998	-	-	25	-	97,800	-	-	97,800
Common stock issued for cash at \$2,840.00 per share in 1998	-	-	61	-	174,520	-	-	174,520
Common stock issued for at \$2,740.00 per share in 1998	-	-	288	1	787,339	-	-	787,340
Common stock issued for cash at \$3,320.00 per share in 1999	-	-	175	-	582,250	-	-	582,250
Common stock issued for cash at \$2,000.00 per share in 1999	-	-	25	-	50,000	-	-	50,000
Common stock issued for cash at \$3,580.00 per share in 1999	-	-	90	-	321,500	-	-	321,500
Common stock issued for at \$6,000.00 per share in 1999	-	-	55	-	330,000	-	-	330,000
Balance forward	-	\$ -	1,950	\$ 2	\$ 10,061,568	\$ -	\$ (1,149,550)	\$ 8,912,020

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

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

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscriptions Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance forward	-	\$ -	1,950	\$ 2	\$ 10,061,568	\$ -	\$ (1,149,550)	\$ 8,912,020
Common stock issued for cash at \$1,400.00 per share in 2000	-	-	37	-	51,750	-	-	51,750
Common stock issued for cash at \$4,600.00 per share in 2000	-	-	53	-	245,540	-	-	245,540
Common stock issued for cash at \$5,080.00 per share in 2000	-	-	31	-	155,000	-	-	155,000
Common stock issued for cash at \$4,900.00 per share in 2000	-	-	28	-	137,050	-	-	137,050
Common stock issued for services at \$8,000.00 per share in 2000	-	-	125	-	1,000,000	-	-	1,000,000
Common stock issued for cash at \$2,000.00 per share in 2001	-	-	83	-	167,500	-	-	167,500
Common stock issued for cash at \$2,180.00 per share in 2001	-	-	238	-	517,500	-	-	517,500
Common stock issued for cash at \$3,600.00 per share in 2001	-	-	63	-	226,620	-	-	226,620
Common stock issued for cash at \$2,060.00 per share in 2001	-	-	65	-	134,000	-	-	134,000
Common stock issued for services at \$2,000.00 per share in 2001	-	-	375	1	749,999	-	-	750,000
Common stock issued for services at \$2,220.00 per share in 2002	-	-	338	-	750,000	-	-	750,000
Common stock issued for services at \$2,000.00 per share in 2003	-	-	52	-	104,500	-	-	104,500
Balance, December 31, 2003	-	-	3,438	3	14,301,027	-	(1,149,550)	13,151,480
Common stock issued for services at \$2.00 per share in 2004	-	-	846	1	169,167	-	-	169,168
Net loss from inception through December 31, 2004	-	-	-	-	-	-	(15,070,559)	(15,070,559)
Balance, December 31, 2004	-	\$ -	4,284	\$ 4	\$ 14,470,194	-	\$ (16,220,109)	\$ (1,749,912)

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

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

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscription Payable	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance, December 31, 2004	-	\$ -	4,284	\$ 4	\$ 14,470,194	\$ -	\$ (16,220,109)	\$ (1,749,912)
Common stock issued for cash at \$60.00 per share	-	-	9,608	10	621,782	-	-	621,792
Net loss for the year ended December 31, 2005	-	-	-	-	-	-	(147,057)	(147,057)
Balance, December 31, 2005	-	-	13,892	14	15,091,976	-	(16,367,166)	(1,275,177)
Common stock issued for debt at \$20.00 per share	-	-	26,536	26	536,682	-	-	536,708
Common stock issued for cash at \$60.00 per share	-	-	8,750	9	614,991	-	-	615,000
Common stock issued for at \$60.00 per share	-	-	6,700	7	404,993	-	-	405,000
Stock offering costs	-	-	-	-	(41,200)	-	-	(41,200)
Net loss for the year ended December 31, 2006	-	-	-	-	-	-	(833,469)	(833,469)
Balance, December 31, 2006	-	-	55,878	56	16,607,442	-	(17,200,635)	(593,138)
Common stock issued for cash at \$0.40 per share	-	-	17,971	18	280,857	-	-	280,875
Common stock issued for services at \$0.20 per share	-	-	10,000	10	350,915	-	-	350,925
Common stock issued for debt at \$0.16 per share	-	-	3,000	3	74,997	-	-	75,000
Stock offering costs	-	-	-	-	(9,450)	-	-	(9,450)
Net loss for the year ended December 31, 2007	-	-	-	-	-	-	(704,470)	(704,470)
Balance, December 31, 2007	-	\$ -	86,849	\$ 87	\$ 17,304,761	\$ -	\$ (17,905,105)	\$ (600,258)

The accompanying notes are an integral part of these financial statements

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

	Preferred Stock		Common Stock		Additional	Stock	Deficit	Total
	Shares	Amount	Shares	Amount	Paid-In	Subscription	Accumulated	Stockholders'
					Capital	Payable	During the	Equity
							Development	(Deficit)
							Stage	
Balance, December 31, 2007	-	\$ -	86,849	\$ 87	\$ 17,304,761	\$ -	\$ (17,905,105)	\$ (600,258)
Common stock converted to preferred stock	6,105,085	6,105	(30,525)	(31)	(6,074)	-	-	-
Common stock issued for cash and subscriptions payable at \$2.00 per share	-	-	152,340	152	290,033	54,843	-	345,028
Common shares issued for services rendered at \$2.00 per share	-	-	379,532	380	917,065	-	-	917,445
Common shares issued for debt at \$5.00 per share	-	-	5,900	6	29,494	-	-	29,500
Preferred shares converted to common stock	(267,340)	(267)	26,734	27	240	-	-	-
Net loss for the year ended December 31, 2008	-	-	-	-	-	-	(1,336,693)	(1,336,693)
Balance, December 31, 2008	5,837,745	5,838	620,830	621	18,535,519	54,843	(19,241,798)	(644,978)
Common shares issued for cash at an average price of \$0.85 per share	-	-	660,278	660	563,840	-	-	564,500
Common stock issued for services rendered at an average price of \$0.84 per share	-	-	415,000	415	348,389	-	-	348,804
Common stock issued for debt at \$0.30 per share	-	-	180,000	180	54,820	-	-	55,000
Net loss for the year ended December 31, 2009	-	-	-	-	-	-	(947,367)	(947,367)
Balance, December 31, 2009	5,837,745	5,838	1,876,108	1,876	19,502,568	54,843	(20,189,165)	(624,041)
Common and preferred shares issued for cash at an average price of \$0.0044 per share	1,941,000	1,941	1,172,177	1,172	331,417	-	-	334,530
Common shares issued for services rendered at an average price of \$0.0097 per share	-	-	132,750	133	108,842	-	-	108,975
Net loss for the year ended December 31, 2010	-	-	-	-	-	-	(371,070)	(371,070)
Balance, December 31, 2010	7,778,745	7,779	3,181,035	3,181	19,942,827	54,843	(20,560,235)	(551,606)

The accompanying notes are an integral part of these financial statements

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

	Preferred Stock		Common Stock		Additional Paid-In Capital	Stock Subscription Payable	Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance, December 31, 2010	7,778,745	\$ 7,779	3,181,035	\$ 3,181	\$ 19,942,827	\$ 54,843	\$ -	\$ (20,560,235)	\$ (551,606)
Preferred stock issued in acquisition of subsidiary	300,000	300	-	-	5,700	-	-	-	6,000
Common stock issued for cash	-	-	2,767,112	2,767	399,305	-	-	-	402,072
Common stock issued for services	-	-	755,000	755	150,245	-	-	-	151,000
Common stock issued in acquisition of subsidiary	-	-	65,255	65	12,986	-	-	-	13,051
Common stock issued in conversion of debt	-	-	49,569	50	17,200	-	-	-	17,250
Net loss for the year ended December 31, 2011	-	-	-	-	-	-	(131,396)	(780,181)	(911,577)
Balance, December 31, 2011	8,078,745	8,079	6,817,971	6,818	20,528,263	54,843	(131,396)	(21,340,416)	(873,810)
Preferred stock issued for services	8,000,000	8,000	-	-	1,032,508	-	-	-	1,040,508
Common stock issued for services	-	-	36,341,931	36,342	436,334	-	-	-	472,676
Contributed capital	-	-	-	-	796,541	-	-	-	796,541
Net loss for the three months ended March 31, 2012	-	-	-	-	-	-	(6,533)	(1,641,693)	(1,648,226)
Balance, March 31, 2012	16,078,745	\$ 16,079	43,159,902	\$ 43,160	\$ 22,793,646	\$ 54,843	\$ (137,929)	\$ (22,982,109)	\$ (212,311)

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

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

	For the Three Months Ended March 31,		From Inception of the Development Stage on October 1, 1992 Through March 31,
	2012	2011	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (1,641,693)	\$ (224,556)	\$ (22,982,109)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation and amortization	24,965	28,779	171,923
Bad debt expense	-	-	133,474
Common and preferred stock issued for services	1,513,184	118,500	8,285,534
Expenses paid on the company's behalf	99,490	-	99,490
Impairment of intangible assets	-	19,051	50,565
Interest on notes payable	-	-	10,000
Changes in operating assets and liabilities:			
Change in accounts receivable	-	144,011	(32,086)
Increase (decrease) in accounts payable and accrued expenses	10,585	(11,581)	(283,571)
Net Cash Provided by (Used in) Operating Activities	6,531	74,204	(14,546,780)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	-	-	(1,280,417)
Net Cash Used in Investing Activities	-	-	(1,280,417)
CASH FLOWS FROM FINANCING ACTIVITIES			
Stock offering costs paid	-	-	(50,650)
Change in notes payable	-	-	1,076,908
Common stock issued for cash and subscriptions payable	-	62,876	14,952,290
Net Cash Provided by Financing Activities	-	62,876	15,978,548
EFFECTS OF EXCHANGE RATE CHANGES	(6,533)	-	(151,289)
NET INCREASE (DECREASE) IN CASH	(2)	137,080	62
CASH AT BEGINNING OF PERIOD	64	57,710	-
CASH AT END OF PERIOD	\$ 62	\$ 194,790	\$ 62

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

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

	For the Three Months Ended March 31,		From Inception of the Development Stage on October 1, 1992 Through March 31,
	2012	2011	2012
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Common stock issued for services	\$ 1,513,184	\$ 118,500	\$ 8,268,284
Debt paid with common stock	\$ -	\$ -	\$ 235,997
Contributed capital	\$ 796,541	\$ -	\$ 796,541
Common and preferred stock issued in acquisition of subsidiary	\$ -	\$ 19,051	\$ 19,051

The accompanying notes are an integral part of these financial statements

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

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at March 31, 2012, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The results of operations for the periods ended March 31, 2012 and 2011 are not necessarily indicative of the operating results for the full years.

These financial statements have been prepared in accordance with accounting principles generally accepted in United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosures of revenues and expenses for the reported year. Actual results may differ from those estimates.

NOTE 2 - GOING CONCERN

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

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

NOTE 3 - SIGNIFICANT EVENTS

Reverse Stock Split – On March 29, 2012 the Company's common stock was reversed on a 1 share for 100 shares basis. The accompanying financial statements reflect the reverse split on a retroactive basis.

Common Stock Issuances – During the three months ended March 31, 2012 the Company issued 36,341,931 shares of common stock for cash at an average price of \$0.013 per share, resulting in total cash proceeds of \$472,676. Additionally, the Company issued 8,000,000 preferred shares as payment for services rendered. These shares were valued at \$0.13 per share, resulting in an aggregate value of \$1,040,508.

Contributed Capital – During the three months ended March 31, 2012 shareholders of the Company forgave \$796,541 in debts as a contribution to capital.

NOTE 4 - SUBSEQUENT EVENTS

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

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

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

Overview

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

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

Through the period ended March 31, 2012, we did not generate any revenues from any of our technologies. Our development plan is to enter into joint venture relationship and strategic partnerships with third parties to help develop these technologies because they are very capital intensive. To date, we have been successful in entering into several relationships that we think have the potential to generate revenue in the near future. Essentially all of our activities have been focused on developing these relationships and becoming a reporting issuer under the Securities Exchange Act of 1934.

Results of Operations for the Three -Month Periods Ended March 31, 2012 and 2011

Revenue

Our revenue for the three months ended March 31, 2012 and 2011 was \$-0- and \$-0-, respectively.

Research and development

We spent \$35,900 on research and development for the three months ended March 31, 2012, compared to \$14,790 for the corresponding period in 2011, and \$465,970 since our inception.

General and administrative expenses

We incurred general and administrative expenses of \$504,319 for the three months ended March 31, 2012 compared to \$147,041 for the corresponding period in 2011 and \$19,197,899 for the period since our inception. We were able to reduce some of our expenses in 2010 by having an affiliate, Premier Capital Inc. agree to assign two portions of their \$750,000 note aggregating \$485,000 to our landlord, 6203221 Canada Inc. as payment for ninety six months of unpaid rent on our office space. The note was dated May 22, 2002 and the assignments were effective on July 15, 2010 and August 15, 2010.

Other Income (Expenses)

Our total other expenses were (\$20,532) for the three months ended March 31, 2012, which consisted entirely of interest and depreciation expenses, compared to (\$8,940) for the corresponding period of 2011. We have a total of (\$423,430) of other expenses since our inception, consisting primarily of interest expense.

Net Income (Loss)

We had a net loss of \$1,641,693 for the three-month period ended March 31, 2012, compared to a net loss of \$224,556 for the corresponding period of 2011. Our net loss for the period from October 1, 1992 (inception) through March 31, 2012 was \$22,982,109.

Liquidity and Capital Resources

Introduction

As of March 31, 2012, we had total current assets of \$12,651 and total current liabilities of \$1,900,333.

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

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

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

Cash Requirements

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

Sources and Uses of Cash

Operating Activities

Our net cash provided by operating activities was \$6,531 for the three months ended March 31, 2012 and \$74,204 net cash provided for the corresponding period of 2011. Our net cash used in operating activities was \$14,546,780 for the period from October 1, 1992 (inception) through March 31, 2012.

Investing Activities

Our net cash used in investing activities was \$-0- for the three months ended March 31, 2012, compared to \$-0- for the corresponding period of 2011. Our net cash used in investing activities was \$1,280,417 for the period from October 1, 1992 (inception) through March 31, 2012, and was primarily the result of the purchase of equipment.

Financing Activities

Our net cash provided by financing activities was \$-0- for the three months ended March 31, 2012, compared to \$62,876 for the corresponding period of 2011, and were both primarily the result of the sale of our common stock. Our net cash provided by financing activities was \$15,978,548 for the period from October 1, 1992 (inception) through March 31, 2012, and was primarily the result of the sale of our common stock.

Critical Accounting Policies

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

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

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

Off-balance Sheet Arrangements

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

ITEM 5 - LEGAL PROCEEDINGS

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

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

ITEM 6 – DEFAULT UPON SENIOR SECURITIES

None.

ITEM 7 – OTHER INFORMATION

Entry into a Material Definitive Agreement.

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

ITEM 8 - EXHIBITS

All Exhibits previously filed by or on behalf of the Company in the Company's Annual Report for the year ended December 31, 2011, are herein incorporated by reference.

SIGNATURES

I, Michael McLaren, certify that:

1. I have reviewed this Quarterly Report of W2 Energy, Inc. (“WTWO”)
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: June 21, 2012

/s/ Michael McLaren

Michael McLaren

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