Quarterly Report
For the Second Quarter Ended September 30, 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) 800-7556

W2 ENERGY, INC.
Quarterly Report for the Second Quarter ended September 30, 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 September 30 2012, there were 264,265,085 shares of our common stock issued and outstanding and held by 119 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 September 30, 2012, the public float for the Company consists of 189,441,887 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 ten 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 December 20, 2012, there are 68,578,745 shares of our Class A Preferred Stock issued and outstanding and held by 10 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.

On December 10, 2012, our Board of Directors authorized and our shareholders approved an increase of the authorized capital to two billion five hundred million (2,500,000,000) shares at a par value of $0.001 designated as Common stock and seven hundred and fifty million (750,000,000) shares with a par value of $0.001 designated as Preferred Stock.

ITEM 3 – INTERIM FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

W2 ENERGY, INC.
Balance Sheets

ASSETS

	September 30, 2012	December 31, 2011
CURRENT ASSETS		
Cash	$ 18,212	$ 64
Accounts receivable	429,932	12,089
Accounts receivable - related parties	-	500
Total Current Assets	448,144	12,653
PROPERTY AND EQUIPMENT, net	1,625,441	1,700,236
TOTAL ASSETS	$ 2,073,585	$ 1,712,889

LIABILITIES AND STOCKHOLDERS' DEFICIT

	September 30, 2012	December 31, 2011
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 391,897	$ 302,048
Customer deposits	420,000	-
Convertible debentures	25,000	25,000
Notes payable	1,356,081	2,259,650
Total Current Liabilities	2,192,978	2,586,698
TOTAL LIABILITIES	2,192,978	2,586,698
STOCKHOLDERS' DEFICIT		
Preferred stock; $0.001 par value, 250,000,000 shares authorized, 68,578,745 and 8,078,745 shares issued and outstanding, respectively	68,579	8,079
Common stock, $0.001 par value; 750,000,000 shares authorized; 264,265,085 and 6,817,971 shares issued and outstanding, respectively	264,265	6,818
Additional paid-in capital	23,416,779	20,528,263
Stock subscriptions payable	54,843	54,843
Other comprehensive income	(139,333)	(131,396)
Accumulated deficit	(23,784,526)	(21,340,416)
Total Stockholders' Deficit	(119,393)	(873,810)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 2,073,585	$ 1,712,889

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

W-2 ENERGY, INC.

Statements of Operations

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
REVENUES	$ 75,000	$ -	$ 115,000	$ -
COST OF GOODS SOLD	-	-	28,352	28,352
GROSS PROFIT (LOSS)	75,000	-	86,648	(28,352)
OPERATING EXPENSES				
Research and development	4,361	-	40,261	14,790
General and administrative	116,725	105,168	2,085,797	246,457
Impairment expense	-	-	-	25,006
Bad debt expense	-	-	-	100,000
Depreciation	24,965	49,840	74,895	99,680
Total Expenses	146,051	155,008	2,200,953	485,933
LOSS FROM OPERATIONS	(71,051)	(155,008)	(2,114,305)	(514,285)
OTHER INCOME (EXPENSES)				
Interest expense	(13,786)	(48,031)	(47,818)	(96,062)
Loss on settlement of debt	(281,987)	-	(281,987)	-
Interest income	-	-	-	-
Total Other Income (Expenses)	(295,773)	(48,031)	(329,805)	(96,062)
DISCONTINUED OPERATIONS	-	-	-	-
NET LOSS	$ (366,824)	$ (203,039)	$ (2,444,110)	$ (610,347)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	$ (1,404)	$ (131,395)	$ (7,937)	$ (131,395)
TOTAL COMPREHENSIVE LOSS	$ (368,228)	$ (334,434)	$ (2,452,047)	$ (741,742)
BASIC LOSS PER SHARE	$ (0.00)	$ (0.03)	$ (0.02)	$ (0.12)
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	153,712,494	6,760,559	135,541,528	4,999,503

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

W2 ENERGY, INC.

Statements of Stockholders' Equity (Deficit)

	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	-	-	95,516,931	95,517	722,316	-	-	-	817,833
Contributed capital	-	-	-	-	796,541	-	-	-	796,541
Preferred stock issued for cash	52,500,000	52,500	-	-	10,500	-	-	-	63,000
Common stock issued in conversion of debts	-	-	161,930,183	161,930	326,651	-	-	-	488,581
Net loss for the nine months ended September 30, 2012	-	-	-	-	-	-	(7,937)	(2,444,110)	(2,452,047)
Balance, September 30, 2012	68,578,745	$ 68,579	264,265,085	$ 264,265	$ 23,416,779	$ 54,843	$ (139,333)	$ (23,784,526)	$ (119,394)

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

W2 ENERGY, INC.

Statements of Cash Flows

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (2,444,110)	$ (610,347)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	74,895	112,006
Bad debt expense	-	100,000
Gain on extinguishment of debt	281,987	-
Common and preferred stock issued for services	1,858,341	168,250
Expenses paid on the company's behalf	99,566	-
Impairment of intangible assets	-	19,051
Interest on notes payable	-	-
Changes in operating assets and liabilities:		
Change in accounts receivable	2,657	23,433
Increase (decrease) in accounts payable and accrued expenses	89,749	25,372
Net Cash Provided by (Used in) Operating Activities	(36,915)	(162,235)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(6,663)
Net Cash Used in Investing Activities	-	(6,663)
CASH FLOWS FROM FINIANCING ACTIVITIES		
Stock offering costs paid	-	-
Change in notes payable	-	2,420
Common and preferred stock issued for cash and subscriptions payable	63,000	402,072
Net Cash Provided by Financing Activities	63,000	404,492
EFFECTS OF EXCHANGE RATE CHANGES	(7,937)	(123,406)
NET INCREASE (DECREASE) IN CASH	18,148	112,188
CASH AT BEGINNING OF PERIOD	64	57,710
CASH AT END OF PERIOD	$ 18,212	$ 169,898

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

W2 ENERGY, INC.

Statements of Cash Flows (Continued)

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Common stock issued for services	$ 1,858,341	$ 151,000
Debt paid with common stock	$ 206,594	$ 17,250
Contributed capital	$ 796,541	$ -
Common and preferred stock issued in acquisition of subsidiary	$ -	$ 19,051

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at September 30, 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 September 30, 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 nine months ended September 30, 2012 the Company issued 95,516,931 shares of common stock for cash at an average price of $0.01 per share, resulting in an aggregate value of $817,833. Additionally, the Company issued 161,930,183 shares of common stock in settlement of debts totaling $206,594. The shares were valued at an aggregate of $488,581, resulting in a loss on settlement of debt in the amount of $281,987.

Preferred Stock Issuances – During the nine months ended September 30, 2012 the Company issued 8,000,000 common shares as payment for services rendered. These shares were valued at $0.13 per share, resulting in an aggregate value of $1,040,508. The Company also issued 52,500,000 preferred shares for cash, resulting in total proceeds of $63,000.

Increase of Authorized Capital - our Board of Directors and our shareholders approved an increase of the authorized capital to two billion five hundred million (2,500,000,000) shares at a par value of $0.001 designated as Common stock and seven hundred and fifty million (750,000,000) shares with a par value of $0.001 designated as Preferred Stock.

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 disc

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 September 30, 2012, we generated revenues of $115,000 from any of our technologies. Our development plan is to enter into joint venture relationship and strategic partnerships with third parties to help develop these technologies because they are very capital intensive. To date, we have been successful in entering into several relationships that we think have the potential to generate revenue in the near future. Essentially all of our activities have been focused on developing these relationships and becoming a reporting issuer under the Securities Exchange Act of 1934.

Results of Operations for the Nine -Month Periods Ended September 30, 2012 and 2011

Revenue

Our revenue for the nine months ended September 30, 2012 and 2011 was $115,000 and $-0-, respectively.

Research and development

We spent $40,261 on research and development for the nine months ended September 30, 2012, compared to $14,790 for the corresponding period in 2011.

General and administrative expenses

We incurred general and administrative expenses of $2,085,797 for the nine months ended September 30, 2012 compared to $246,457 for the corresponding period in 2011. We were able to some of our expenses in 2010 by having an affiliate, Premier Capital Inc. agree to assign two portions of their $750,000.00 note aggregating $485,000.00 to our landlord 6203221 Canada Inc. as payment for ninety six months of unpaid rent on our office space. The note is dated May 22, 2002 and the assignments were effective on July 15, 2012 and August 15, 2010

Other Income (Expenses)

Our total other expenses were ($329,805) for the nine months ended September 30, 2012, which consisted of interest and expense of $47,818, compared to $96,092 for the corresponding period of 2011. Additionally, during the nine months ended September 30, 2012 we issued 161,930,183 shares of common stock in settlement of debts totaling $206,594. This transaction resulted in a loss on settlement of debt in the amount of $281,987.

Net Income (Loss)

We had a net loss of $2,444,110 for the nine-month period ended September 30, 2012, compared to a net loss of $610,347 for the corresponding period of 2011. Our net loss for the period from October 1, 1992 (inception) through June 30, 2012 was $23,784,526.

Liquidity and Capital Resources

Introduction

As of September 30, 2012, we had total current assets of $448,144 and total current liabilities of $2,192,978.

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

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

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

Cash Requirements

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

Sources and Uses of Cash

Operating Activities

Our net cash used in operating activities was $36,915 for the nine months ended September 30, 2012 and $162,235 cash used for the corresponding period of 2011.

Investing Activities

Our net cash used in investing activities was -0- for the nine months ended September 30, 2012, compared to $6,663 used in investing activities for the corresponding period of 2011.

Financing Activities

Our net cash provided by financing activities was $63,000 for the nine months ended September 30, 2012, compared to $404,492 for the corresponding period of 2011, and were both primarily the result of the sale of our common and/or preferred stock.

Critical Accounting Policies

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

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

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

Off-balance Sheet Arrangements

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

ITEM 5 - LEGAL PROCEEDINGS

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

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

ITEM 6 – DEFAULT UPON SENIOR SECURITIES

None.

ITEM 7 – OTHER INFORMATION

Entry into Material Definitive Agreements.

On August 2, 2012, the Company entered into a Lease Agreement with Finfeather Properties – Dennis & Pete Ltd. for the lease of a facility at 2708 Finfeather Road, Bryan, Texas 77801. The lease has a twelve month term and the monthly rent is $680.

On December 2, 2011, the Company entered into a Memorandum of Agreement with W2H Luxembourg Holding SA, a Luxembourg corporation ("W2H"), pursuant to which the parties agreed to joint venture on a number of projects, in exchange for an option granted from the Company to W2H under which it can purchase up to 33% of all Preferred Stock in the Company for a price of $4,500,000. The Memorandum of Agreement had an initial term of six months which was extended for an additional twelve months by written amendment between the parties on June 1, 2012.

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 company entered into an agreement with Binbrook Holdings Ltd who 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.

On May 5 2011, the Company entered into a promissory note for $150,000.00 dollars as a vendor financing on the building purchase for the term of 6 months. The note issued to Mar-Cot Properties Inc. is secured by a second mortgage on the property at 345 Woodlawn Rd. West and is in default as of May 3, 2012.

On September 30, 2012, the Company received a Purchase order for 7 X 600 Hp Rotary combustion engines from SES International Holdings Ltd.

On October 6, 2012, the Company entered into a Joint Venture agreement with SES International Ltd., Ecobound SDN BDH and W2H Luxembourg Holdings. The purpose of the JV company is to finance, develop and implement W2H and W2E technology

ITEM 8 - EXHIBITS

Attached hereto as Exhibits are copies of the purchase order from SES International dated September 30th 2012 as well as the Joint Venture agreement Dated October 5th 2012 between SES International, Ecobound and W2 Energy Inc.

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: December 21, 2012

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