

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

United Energy Corporation

A Nevada Corporation

101 E Park Blvd, 6th Floor,

Plano, Texas 75074

<https://unrgcorp.com/>

469-209-5829

SIC – 1389

Annual Report

For the Period Ending: December 31, 2022 (the “Reporting Period”)

As of December 31, 2022, the number of shares outstanding of our Common Stock was: 333,920,339.

As of September 30, 2022, the number of shares outstanding of our Common Stock was: 325,853,967.

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 246,467,634.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐

No: ☒

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

United Energy Corp. 03-1996- Present
Aztec Silver Mining Co. July 1971-March 1996

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

United Energy Corporation herein referred to as "UNRG" or the "Company." The company is in good standing with the state of Nevada.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

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

On October 31, 2019, United Energy Corporation (the "Company") entered into a Share Exchange agreement with ("RIGX"). Pursuant to the terms of the agreement in exchange for 100% of the Rigworx, Inc. shares (45,000,000 shares) the Company will issue in the name of the RIGX Stockholder a stock certificate for 45,000,000 shares of its common stock. The Merger will be accounted for as a "reverse acquisition" and recapitalization.

On February 7, 2020, Rigworx, Inc. acquired Attis Oil and Gas, LLC. Attis' core asset is 160 acres of oil and gas leasehold in Moore County, Texas. The company intends to drill into the Red Cave formation.

On January 4th, 2021, the company had approximately 7 oil and gas leases in various Oklahoma counties and 200 non-producing wells. The company entered into a purchase and sale agreement with SW Capital, LLC in which it purchased the leases and wells from the Company in exchange for \$300,200 of the company's debt and liabilities associated with the properties. The sale has been finalized.

On February 1, 2021, The Company purchased from Micronizing Technologies, LLC an Oil Shale Processing License using its PulseWave Technology. With the License, the Company also acquired an Option ("the Option") to acquire the Master Oil Shale Processing License that includes certain exclusive rights to process oil shale materials and to Sub-License the oil shale processing rights within certain territories.

On March 1, 2021, United Energy Corporation entered into a settlement agreement with Alluwe Partners, L.P. and Miskimon Energy, LLC to return previously purchased oil and gas leases known as the Cotton and Alluwe leases. In exchange for returning the leases, Alluwe Partners and Miskimon Energy agree to release two promissory notes owed by United Energy totaling \$440,000. This settlement has been finalized.

On July 21, 2021, United Energy purchased 73 oil and gas wells on approximately 10,000 acres from Montclair Energy, LLC. As of the date of this report, the purchase has been finalized.

On August 1, 2021, the Company purchased 100% ownership of Cotton Valley Oil and Gas, LLC ("Cotton Valley"), including all assets and liabilities from Haney Energy LLC for a total purchase price of \$534,400, including the issuance of 500,000 shares of common stock with a fair value of \$99,400. Cotton Valley's assets consist primarily of oil and gas leases, wells, equipment and contracts in the Oklahoma region known as the Cherokee Basin.

Also, the Company purchased 100% ownership of Entransco Energy, LLC ("Entransco") on August 1, 2021, including all assets and liabilities from an individual for a total purchase price of \$30,000. Entransco Energy, LLC is a licensed and bonded operator in Oklahoma and Kansas. Entransco's assets consist primarily of oil and gas leases, wells, equipment and contracts in the Oklahoma region known as the Cherokee Basin.

On September 2, 2021, United Energy entered into a Letter of Intent with Jubilee Exploration, LLC. The purchase included approximately 500 wells and a purported 60,000 acres of oil and gas leasehold. After a due diligence review of the assets, it was determined that the wells were conveyed to Jubilee as wellbore only assignments. As a result of that finding, United

Energy is not contemplating the acquisition of Jubilee Exploration or its wells at this time.

On September 18, 2021, United Energy entered into a Letter of Intent with NOGP, Inc. to purchase the Wagoner County Pipeline and related oil and gas assets formerly owned by Red Fork Energy. The approximately 140-mile pipeline contains transmission lines between 3" and 16" in size and an approximately 7 mile 12" steel high pressure pipeline. The asset includes 5,000+ acres of oil and gas leasehold containing 89 wells primarily producing from the Woodford Shale. As of the date of this report, the purchase is still pending title review but is expected to close in 2022.

On October 22, 2021, United Energy entered into a Purchase and Sale Agreement with Gateway Resources USA, Inc. and its associated parties to acquire the company and its approximately 2,200+ wells on approximately 200,000 acres and associated pipelines and transmissions lines. Due to the size and complexity of the asset, the acquisition is still pending due to finalization of terms and due diligence. The acquisition is expected to be finalized in 2022.

On various dates between July 23, 2021 and January 7, 2022, the Company purchased a total of 12.5% interest in Integrity Terminals, LLC ("Integrity") from Diamond Rose Development, LLC for a total purchase price of \$75,000, of which \$70,000 was paid during 2021.

On December 23, 2021, the Company exercised its Option to acquire the Master World-Wide Oil Shale License ("World-Wide License") that would allow the Company to sub-license the technology to other oil shale mining companies throughout the world. The Company paid an additional \$150,000 for the exercise of the Option, paid in ten monthly installments of \$10,000 and a final payment of \$50,000 on December 23, 2021. The technology, developed by Micronizing Technologies, LLC, a Texas limited liability company ("Licensor") reduces particle sizes to granular or submicronic of various materials. This process allows for the clean removal and liberation of the desirable organic material, known as kerogen, from raw oil shale ore prior to the retorting process.

The address(es) of the issuer's principal executive office:

101 E Park Blvd, 6th Floor, Plano, Texas 75074

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐

No: ☒

2) Security Information

Trading symbol:	<u>UNRG</u>	
Exact title and class of securities outstanding:	<u>Common Stock ("Common Stock")</u>	
CUSIP:	<u>910900208</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>425,000,000</u>	as of date: <u>April 1, 2023</u>
Total shares outstanding:	<u>333,920,339</u>	as of date: <u>December 31, 2022</u>
Number of shares in the public float:	<u>35,041,790</u>	as of date: <u>December 31, 2022</u>
Total number of shareholders of record:	<u>859</u>	as of date: <u>December 31, 2022</u>

Additional class of securities (if any):

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Series A Preferred Stock ("Series A Preferred")</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>5,000,000</u>	as of date: <u>April 1, 2023</u>
Total shares outstanding:	<u>5,000,000</u>	as of date: <u>December 31, 2022</u>

Additional class of securities (if any):

Trading symbol: N/A
Exact title and class of securities outstanding: Series B Preferred Stock ("Series B Preferred")
CUSIP: N/A
Par or stated value: \$0.0001
Total shares authorized: 70,000,000 as of date: April 1, 2023
Total shares outstanding: 0 as of date: December 31, 2022

Transfer Agent

Name: Securities Transfer Corporation
Address: 2901 Dallas Parkway, Suite 380
Address 2: Plano, TX 75093
Phone: +1 (469) 633-0101
Email: info@stctransfer.com

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

Item 3. Issuance History

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of <u>12/31/2020</u>		<u>Beginning Balance:</u> Common: 170,105,534 Series A Preferred: 5,000,000 Series B Preferred: 0							
		*Right-click the rows below and select "Insert" to add rows as needed.							
Date of Transaction	Transaction type (e.g. new issuance, cancellation, Shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
1/31/2021	New Issuance	1,400,000	Common A	\$0.0250	Yes	A. Kleifgen	Conversion	Restricted	4(a)(2)
4/16/2021	New Issuance	2,500,000	Common A	\$0.0200	Yes	R. Davidson	Cash	Restricted	4(a)(2)
5/21/2021	New Issuance	5,000,000	Common A	\$0.0200	Yes	*J. Jenkins Trust	Cash	Restricted	4(a)(2)
6/9/2021	New Issuance	2,500,100	Common A	\$0.0200	Yes	J. Robinson	Cash	Restricted	4(a)(2)
6/9/2021	New Issuance	5,000,000	Common A	\$0.0200	Yes	D&T Robinson JTWROS	Cash	Restricted	4(a)(2)
6/10/2021	New Issuance	1,000,000	Common A	\$0.0200	Yes	G. Duvall	Cash	Restricted	4(a)(2)
6/11/2021	New Issuance	25,000	Common A	\$0.0200	Yes	T. Deaton	Cash	Restricted	4(a)(2)
6/11/2021	New Issuance	100,000	Common A	\$0.0200	Yes	C. Sparks	Cash	Restricted	4(a)(2)
6/14/2021	New Issuance	2,500,000	Common A	\$0.0200	Yes	S. Reshetnikov	Cash	Restricted	4(a)(2)

6/16/2021	New Issuance	150,000	Common A	\$0.0200	Yes	D&M Hinz JTWROS	Cash	Restricted	4(a)(2)
6/17/2021	New Issuance	500,000	Common A	\$0.0200	Yes	B. Carroll	Cash	Restricted	4(a)(2)
6/22/2021	New Issuance	10,000	Common A	\$0.0200	Yes	B. Robinson	Cash	Restricted	4(a)(2)
6/24/2021	New Issuance	500,000	Common A	\$0.0200	Yes	J. Roman	Cash	Restricted	4(a)(2)
6/28/2021	New Issuance	1,250,000	Common A	\$0.0001	Yes	B. Colson	Cash	Restricted	4(a)(2)
6/29/2021	New Issuance	500,000	Common A	\$0.0200	Yes	J. Cortes	Cash	Restricted	4(a)(2)
6/29/2021	New Issuance	1,250,000	Common A	\$0.0001	Yes	B. Schroeder	Cash	Restricted	4(a)(2)
6/30/2021	New Issuance	250,000	Common A	\$0.0001	Yes	G. Griffin	Cash	Restricted	4(a)(2)
6/30/2021	New Issuance	1,000,000	Common A	\$0.0001	Yes	G. Griffin	Cash	Restricted	4(a)(2)
7/2/2021	New Issuance	1,250,000	Common A	\$0.0200	Yes	T. Cleveland	Cash	Restricted	4(a)(2)
7/6/2021	New Issuance	1,175,000	Common A	\$0.0200	Yes	R. Guevara	Cash	Restricted	4(a)(2)
7/23/2021	New Issuance	200,000	Common A	\$0.0200	Yes	N. Flores	Cash	Restricted	4(a)(2)
7/23/2021	New Issuance	250,000	Common A	\$0.0200	Yes	I. Carvajal	Cash	Restricted	4(a)(2)
7/23/2021	New Issuance	250,000	Common A	\$0.0200	Yes	J. Hardwick	Cash	Restricted	4(a)(2)
7/23/2021	New Issuance	500,000	Common A	\$0.0200	Yes	S. Taiyab	Cash	Restricted	4(a)(2)
7/23/2021	New Issuance	1,250,000	Common A	\$0.0200	Yes	M. Curtis	Cash	Restricted	4(a)(2)
7/25/2021	New Issuance	15,000	Common A	\$0.0200	Yes	J. Carvajal	Cash	Restricted	4(a)(2)
7/26/2021	New Issuance	25,000	Common A	\$0.0200	Yes	D. Bray	Cash	Restricted	4(a)(2)
7/30/2021	New Issuance	352,000	Common A	\$0.0200	Yes	R. Guevara	Cash	Restricted	4(a)(2)
8/1/2021	New Issuance	250,000	Common A	\$0.0001	Yes	K. Stillwagon	Services	Restricted	4(a)(2)
8/1/2021	New Issuance	50,000	Common A	\$0.0200	Yes	K. Chapman	Cash	Restricted	4(a)(2)
8/4/2021	New Issuance	50,000	Common A	\$0.0200	Yes	O. Petznick	Cash	Restricted	4(a)(2)
8/11/2021	New Issuance	100,000	Common A	\$0.0200	Yes	C. Sparks	Cash	Restricted	4(a)(2)
8/12/2021	New Issuance	150,000	Common A	\$0.0200	Yes	J. Keen	Cash	Restricted	4(a)(2)
8/12/2021	New Issuance	200,000	Common A	\$0.0200	Yes	J. Bryant	Cash	Restricted	4(a)(2)

8/13/2021	New Issuance	150,000	Common A	\$0.0200	Yes	T. Titterington	Cash	Restricted	4(a)(2)
8/18/2021	New Issuance	150,000	Common A	\$0.0200	Yes	D&M Hinz JTWROS	Cash	Restricted	4(a)(2)
8/19/2021	New Issuance	500,000	Common A	\$0.0200	Yes	S. McBrayer	Cash	Restricted	4(a)(2)
8/20/2021	New Issuance	150,000	Common A	\$0.0200	Yes	C. Mayes	Cash	Restricted	4(a)(2)
8/26/2021	New Issuance	1,000,000	Common A	\$0.0200	Yes	R. Solc	Cash	Restricted	4(a)(2)
9/9/2021	New Issuance	200,000	Common A	\$0.0200	Yes	I. Carvajal	Cash	Restricted	4(a)(2)
9/9/2021	New Issuance	1,250,000	Common A	\$0.0200	Yes	J. Robinson	Cash	Restricted	4(a)(2)
9/10/2021	New Issuance	125,000	Common A	\$0.0200	Yes	J. Keen	Cash	Restricted	4(a)(2)
9/10/2021	New Issuance	500,000	Common A	\$0.0200	Yes	P. Henry	Cash	Restricted	4(a)(2)
9/15/2021	New Issuance	250,000	Common A	\$0.0200	Yes	J. Petznick	Cash	Restricted	4(a)(2)
9/15/2021	New Issuance	500,000	Common A	\$0.0200	Yes	J. Rahm	Cash	Restricted	4(a)(2)
9/15/2021	New Issuance	2,500,000	Common A	\$0.0200	Yes	*JOAB, LLC	Cash	Restricted	4(a)(2)
9/16/2021	New Issuance	500,000	Common A	\$0.0200	Yes	S. Reshetnikov	Cash	Restricted	4(a)(2)
9/17/2021	New Issuance	100,000	Common A	\$0.0200	Yes	B. Jalomo	Cash	Restricted	4(a)(2)
9/21/2021	New Issuance	500,000	Common A	\$0.0200	Yes	S. Taiyab	Cash	Restricted	4(a)(2)
9/22/2021	New Issuance	80,000	Common A	\$0.0200	Yes	J. Carvajal	Cash	Restricted	4(a)(2)
9/22/2021	New Issuance	95,000	Common A	\$0.0200	Yes	J. Carvajal	Cash	Restricted	4(a)(2)
9/22/2021	New Issuance	1,000,000	Common A	\$0.0200	Yes	P. Buljan	Cash	Restricted	4(a)(2)
9/25/2021	New Issuance	2,500,000	Common A	\$0.0200	Yes	R. Davidson	Cash	Restricted	4(a)(2)
9/28/2021	New Issuance	100,000	Common A	\$0.0200	Yes	D. Bray	Cash	Restricted	4(a)(2)
9/28/2021	New Issuance	500,000	Common A	\$0.0200	Yes	R. Guevara	Cash	Restricted	4(a)(2)
9/29/2021	New Issuance	250,000	Common A	\$0.0200	Yes	N. Flores	Cash	Restricted	4(a)(2)
9/30/2021	New Issuance	250,000	Common A	\$0.0200	Yes	J. Arceneaux	Cash	Restricted	4(a)(2)
10/1/2021	New Issuance	105,000	Common A	\$0.0200	Yes	D. Campbell	Cash	Restricted	4(a)(2)
10/1/2021	New Issuance	1,000,000	Common A	\$0.0001	Yes	K. Chapman	Services	Restricted	4(a)(2)

10/1/2021	New Issuance	1,000,000	Common A	\$0.0001	Yes	N. Flores	Services	Restricted	4(a)(2)
10/7/2021	New Issuance	100,000	Common A	\$0.0200	Yes	T. Cardinal	Cash	Restricted	4(a)(2)
10/7/2021	New Issuance	150,000	Common A	\$0.0200	Yes	J. Robinson	Cash	Restricted	4(a)(2)
10/13/2021	New Issuance	1,000,000	Common A	\$0.0200	Yes	C&D Reading JTWROS	Cash	Restricted	4(a)(2)
10/14/2021	New Issuance	40,000	Common A	\$0.0500	Yes	R. Renfro	Cash	Restricted	4(a)(2)
10/14/2021	New Issuance	200,000	Common A	\$0.0500	Yes	N. Renfro	Cash	Restricted	4(a)(2)
10/15/2021	New Issuance	500,000	Common A	\$0.1000	No	*Haney Energy LLC	Asset Purchase	Restricted	4(a)(2)
10/15/2021	New Issuance	100,000	Common A	\$0.0200	Yes	C. Sparks	Cash	Restricted	4(a)(2)
10/18/2021	New Issuance	100,000	Common A	\$0.0200	Yes	J. Bryant	Cash	Restricted	4(a)(2)
10/18/2021	New Issuance	500,000	Common A	\$0.0200	Yes	S. McBrayer	Cash	Restricted	4(a)(2)
10/19/2021	New Issuance	50,000	Common A	\$0.0200	Yes	D&K Godfrey JTWROS	Cash	Restricted	4(a)(2)
10/19/2021	New Issuance	50,000	Common A	\$0.0200	Yes	J. Harter	Cash	Restricted	4(a)(2)
10/19/2021	New Issuance	200,000	Common A	\$0.0500	Yes	J. Hofferth	Cash	Restricted	4(a)(2)
10/19/2021	New Issuance	200,000	Common A	\$0.0500	Yes	M. Sohlden	Cash	Restricted	4(a)(2)
10/21/2021	New Issuance	250,000	Common A	\$0.0200	Yes	C. Grasser	Cash	Restricted	4(a)(2)
10/22/2021	New Issuance	250,000	Common A	\$0.0200	Yes	E. Montiel	Cash	Restricted	4(a)(2)
10/25/2021	New Issuance	30,000	Common A	\$0.0500	Yes	B. Jalomo	Cash	Restricted	4(a)(2)
10/28/2021	New Issuance	50,000	Common A	\$0.0500	Yes	M. Martinez	Cash	Restricted	4(a)(2)
10/28/2021	New Issuance	250,000	Common A	\$0.0200	Yes	M. Luna	Cash	Restricted	4(a)(2)
10/28/2021	New Issuance	5,000,000	Common A	\$0.0500	Yes	*J. Jenkins Trust	Cash	Restricted	4(a)(2)
10/28/2021	New Issuance	5,000,000	Common A	\$0.0500	Yes	*J. Jenkins Trust	Cash	Restricted	4(a)(2)
10/29/2021	New Issuance	40,000	Common A	\$0.0500	Yes	L. Hoyt	Cash	Restricted	4(a)(2)
10/29/2021	New Issuance	60,000	Common A	\$0.0500	Yes	R. Trujillo	Cash	Restricted	4(a)(2)
10/29/2021	New Issuance	60,000	Common A	\$0.0500	Yes	R. Wright	Cash	Restricted	4(a)(2)
10/29/2021	New Issuance	80,000	Common A	\$0.0500	Yes	R. Smith Jr.	Cash	Restricted	4(a)(2)

10/29/2021	New Issuance	100,000	Common A	\$0.0500	Yes	E. Robson	Cash	Restricted	4(a)(2)
11/1/2021	New Issuance	40,000	Common A	\$0.0500	Yes	R. Caballaro	Cash	Restricted	4(a)(2)
11/1/2021	New Issuance	125,000	Common A	\$0.0200	Yes	K. Savercool	Cash	Restricted	4(a)(2)
11/1/2021	New Issuance	1,600,000	Common A	\$0.0200	Yes	I. Carvajal	Cash	Restricted	4(a)(2)
11/1/2021	New Issuance	1,850,000	Common A	\$0.0200	Yes	R. Guevara	Cash	Restricted	4(a)(2)
11/1/2021	New Issuance	250,000	Common A	\$0.0001	Yes	K. Stillwagon	Services	Restricted	4(a)(2)
11/2/2021	New Issuance	80,000	Common A	\$0.0500	Yes	B. Moore	Cash	Restricted	4(a)(2)
11/2/2021	New Issuance	250,000	Common A	\$0.0200	Yes	G&C Cannon JTWROS	Cash	Restricted	4(a)(2)
11/3/2021	New Issuance	80,000	Common A	\$0.0500	Yes	R. Smith	Cash	Restricted	4(a)(2)
11/3/2021	New Issuance	300,000	Common A	\$0.0500	Yes	R. Orta	Cash	Restricted	4(a)(2)
11/4/2021	New Issuance	75,000	Common A	\$0.0200	Yes	A. Flores	Cash	Restricted	4(a)(2)
11/4/2021	New Issuance	500,000	Common A	\$0.0200	Yes	W. Rowbatham	Cash	Restricted	4(a)(2)
11/4/2021	New Issuance	1,000,000	Common A	\$0.0200	Yes	H&O Reading JTWROS	Cash	Restricted	4(a)(2)
11/5/2021	New Issuance	250,000	Common A	\$0.0200	Yes	S&D Atuaia JTWROS	Cash	Restricted	4(a)(2)
11/8/2021	New Issuance	300,000	Common A	\$0.0200	Yes	J&A Reading JTWROS	Cash	Restricted	4(a)(2)
11/10/2021	New Issuance	25,000	Common A	\$0.0200	Yes	P. Reading	Cash	Restricted	4(a)(2)
11/16/2021	New Issuance	500,000	Common A	\$0.0200	Yes	T. Bethel	Cash	Restricted	4(a)(2)
11/16/2021	New Issuance	600,000	Common A	\$0.0200	Yes	G&K Willard JTWROS	Cash	Restricted	4(a)(2)
11/17/2021	New Issuance	200,000	Common A	\$0.0200	Yes	J&A Reading JTWROS	Cash	Restricted	4(a)(2)
11/17/2021	New Issuance	2,500,000	Common A	\$0.0200	Yes	J. Hardwick	Cash	Restricted	4(a)(2)
11/19/2021	New Issuance	30,000	Common A	\$0.0500	Yes	B. Jalomo	Cash	Restricted	4(a)(2)
11/19/2021	New Issuance	440,000	Common A	\$0.0200	Yes	I. Carvajal	Cash	Restricted	4(a)(2)
11/23/2021	New Issuance	250,000	Common A	\$0.0500	Yes	B. Babcock	Cash	Restricted	4(a)(2)
11/23/2021	New Issuance	4,000,000	Common A	\$0.0200	Yes	D&T Robinson JTWROS	Cash	Restricted	4(a)(2)
11/9/2022	New Issuance	1,000,000	Common A	\$0.0200	Yes	N. Flores	Cash	Restricted	4(a)(2)

11/9/2022	New Issuance	1,000,000	Common A	\$0.0200	Yes	K. Chapman	Cash	Restricted	4(a)(2)
11/9/2022	New Issuance	125,000	Common A	\$0.0200	Yes	C. Grace	Cash	Restricted	4(a)(2)
11/9/2022	New Issuance	250,000	Common A	\$0.0200	Yes	K. Stillwagon	Cash	Restricted	4(a)(2)
11/10/2022	New Issuance	2,500,000	Common A	\$0.0200	Yes	S. Martin IRA	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	111,600	Common A	\$0.0200	Yes	J. McAuliffe	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	111,600	Common A	\$0.0200	Yes	M. Graichen	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	19,840	Common A	\$0.0200	Yes	C. Clark	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	19,840	Common A	\$0.0200	Yes	T. Parigian	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	19,840	Common A	\$0.0200	Yes	R. Setteducati	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	7,440	Common A	\$0.0200	Yes	T. Davis	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	7,440	Common A	\$0.0200	Yes	M. Winks	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	7,440	Common A	\$0.0200	Yes	M. Wypych	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	2,232	Common A	\$0.0200	Yes	H. Striplin	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	64,728	Common A	\$0.0200	Yes	*Paulson Investment Company, LLC	Cash	Restricted	4(a)(2)
12/13/2022	New Issuance	125,000	Common A	\$0.1000	Yes	A. Cordia	Cash	Restricted	4(a)(2)
12/21/2022	New Issuance	1,000,000	Common A	\$0.0200	Yes	D. Crenshaw	Cash	Restricted	4(a)(2)
12/21/2022	New Issuance	779,411	Common A	\$0.0200	Yes	S. Sample	Cash	Restricted	4(a)(2)
12/21/2022	New Issuance	745,524	Common A	\$0.0200	Yes	E. Sample	Cash	Restricted	4(a)(2)
12/21/2022	New Issuance	169,437	Common A	\$0.0200	Yes	S. Spivey	Cash	Restricted	4(a)(2)
Shares Outstanding on 12/31/2022:	Ending Balance: Common: 333,920,339 Series A Preferred: 5,000,000 Series B Preferred: 0								

- *1. JOAB, LLC control person is Olen Petznick
2. Jenkins Trust control person is James Jenkins
2. Haney Energy, LLC control person is Sharon Kitchel
3. Paulson Investment Company, LLC control person is Alex Winks

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
2/1/2021	\$2,000,000	\$2,000,000	0	12/31/2030	N/A	Micronizing Technologies, LLC	License Acquisition

*Micronizing Technologies LLC control person is Steve Sample

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual):

Name: Todd Peterson
Title: CPA
Relationship to Issuer: Accountant

The unaudited financial statements as of December 31, 2021 and December 31, 2022 are included at the end of this report.

5) Issuer's Business, Products and Services

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The company was originally incorporated in Nevada in 1971 as Aztec Silver Mining Co. We were engaged in the manufacturing and distribution of printing equipment from 1995 through 1998. During that period, we began to develop specialty chemical products for use in the printing industry. In March 1998, we discontinued our printing equipment operations and changed our business focus to the development of specialty chemical products. In March 2007, we discontinued the sale of our Uni-proof proofing paper.

We had developed and distributed environmentally friendly specialty chemical products with applications in several industries and markets. Our line of products included our K-Line of Chemical Products for the oil industry and related products.

Through our former wholly owned subsidiary, Green Globe Industries, Inc. ("Green Globe"), we provide the U.S. military with a variety of solvents, paint strippers and cleaners under our trade name "QualiChem." Green Globe was a qualified supplier for the U.S. military and had sale contracts with no minimum purchase requirements, which were renewable at the option of the U.S. military.

A key component of our business strategy was to pursue collaborative joint working and marketing arrangements with established international oil and oil service companies. We intended to enter into these relationships to more rapidly and economically introduce our K-Line of Chemical Products to the worldwide marketplace for refinery, tank and pipeline cleaning services. The Company has fully impaired all assets since the shutdown of its operations in 2012 and has recorded the effects of this impairment as part of its discontinued operations.

On October 8, 2019 the District Court of Clark County, Nevada granted the Application for Appointment of Custodian as a result of the absence of a functioning board of directors and the revocation of the Company's charter. The order appointed GrassRoots Advisory, LLC custodial with the right to appoint officers and directors, negotiate and compromise debt, execute contracts, issue stock and authorize new classes of stock.

GrassRoots Advisory, LLC performed the following actions in its capacity as custodian:

- funded any expenses of the company including paying off outstanding liabilities, incurred in 2019.
- brought the Company back into compliance with the Nevada Secretary of State, resident agent, transfer agent, OTC Markets.
- Appointed officers and directors and held a shareholders meeting.

GrassRoots Advisory, LLC received \$15,000 in 2019 from an investor on behalf of the Company in connection with performing its role as custodian of the Company and paying Company debt.

On October 8, 2019, Douglas DiSanti was appointed officer and director; Mr. DiSanti is owner of GrassRoots Advisory, LLC. He resigned all positions on October 16, 2019.

On October 31, 2019, the Company acquired Rigworx, Inc. (the "Subsidiary"). This acquisition was made by the issuance of shares at a one for one conversion rate with the existing shareholders of the Subsidiary.

On October 16, 2019, Samuel Smith was appointed the Company's sole officer and director.

On October 31, 2019, the Company amended its Articles of Incorporation to change its authorized common and preferred stock. Per the amendment the Company now has 425,000,000 common shares, 5,000,000 preferred A shares and 70,000,000 preferred B shares authorized.

Subsequently, On October 31, 2019, the Company merged with Rigworx, Inc. The merger and acquisition of Rigworx, Inc. was made by the issuance of shares at a one for one conversion rate with existing shareholders of the Subsidiary.

On October 31, 2019, Brian Guinn was appointed Chief Investment Officer and Director and Steven Wagoner was appointed Chief Financial Officer.

On January 4th, 2021, Samuel Smith resigned as Chief Executive Officer and by resolution, Brian Guinn was appointed Chief Executive Officer.

Along with the change of control in 2021, United Energy Corporation announced on August 2, 2021 a new corporate directive and business strategy. The company will focus its operations in the Cherokee Basin located in Northeastern Oklahoma and Southeastern Kansas. The Cherokee Basin is a prolific producing region that spans an area of approximately 26,500 square miles. It was first discovered in 1873 and is widely considered a prolific natural gas producing basin. According to the U.S. Geologic Survey (www.usgs.gov), total mean volumes of undiscovered petroleum resources in the Cherokee Platform Province are 463 MMBO, 11.2 TCFG and 35 MMBNGL. In addition to the company's exploration and development activities, the company has acquired certain patented or patent pending technologies that will assist in its production activities and may be commercialized to other industry partners.

For the remaining months of 2021, the company focused on its acquisition strategy which was to acquire the wells, leases and acreage on which it would develop and produce hydrocarbons in the years to come.

Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.

Subsidiary Name	Domicile	Address	Officer/Director	% Owned	Owned By
Attis Oil & Gas LLC	Texas	101 E. Park Blvd. 600	Brian Guinn	100%	United Energy Corp.
Cotton Valley Oil and Gas LLC	Nevada	101 E. Park Blvd. 600	Brian Guinn	100%	United Energy Corp.
Entranco Energy LLC	Nevada	101 E. Park Blvd. 600	Brian Guinn	100%	United Energy Corp.

B. Describe the issuers' principal products or services, and their markets

United Energy Corporation is focused on the development of natural gas and oil reservoirs in the Cherokee Basin located in Northeastern Oklahoma and Southeastern Kansas. The basin is prolific and has been producing oil and gas since 1873. The oil and gas properties United Energy owns or has under contract contain potentially 165.587 BCF of undiscovered natural gas reserves per the USGS (www.usgs.gov).

In addition, United Energy is targeting the mining industry with its licensed R.A.M.S. technology powered by PulseWave's unique Natural Resonance Disintegration Milling System. The patented liberating technology has the ability to liberate organic material more efficiently and more economically than any existing system in use today. It is a technology more economical, higher-yielding, energy-efficient, environmentally friendly, and lower-maintenance than traditional methods of oil extraction from shale reserves. This micronized technology can remove either pollutants and levels of emissions and toxic materials many times over than that of conventional processes. (<https://www.unrgcorp.com/blog/rams>)

In addition to the oil shale mining industry, United Energy may expand its use of this technology into the precious metals industry in 2023.

6) Issuers facilities

United Energy Corporation currently operates at 101 E Park Blvd, 6th Floor, Plano, Texas 75074

Entranco Energy, LLC and Cotton Valley Oil & Gas, LLC currently operate at 112 N. Delaware St. Dewey, OK 74029

Item 7. Officers Directors and Control Persons

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Brian Guinn	Chief Executive Officer/Director	Frisco, TX	5,000,000	Preferred A Stock	100%	
Brian Guinn	Chief Executive Officer/Director	Frisco, TX	8,000,000	Common Stock	2.39%	
Rick Coody	Chief Operating Officer	Skiatook, OK	0	Common Stock	0%	

8) Legal/Disciplinary History

A. Criminal and legal proceedings of Officers, Directors and Control Persons.

None of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject.

In 2020, Rigworx, Inc., now known as United Energy Corporation, was named as a 3rd party defendant in litigation between a prior operator and a landowner on an oil and gas lease located in Sparks, Oklahoma. The litigation predated the purchase of the property. The nature of the suit is based on the use of oil and gas production equipment, roads and right of ways. Rigworx, Inc. has countersued the seller of the lease, Derrick Resources, LLC for material omissions prior to the purchase of the lease. On January 4, 2021, the Company's former CEO, Sam Smith, via Smith and Western Capital, assumed the oil and gas properties and rights to individual well bores in Oklahoma, known as the Sparks and Rudy & Hudson properties in exchange for \$345,103 of outstanding promissory notes and liabilities. United Energy Corporation no longer has an interest in the leases and wells located in Sparks, Oklahoma but it continues to be a 3rd party defendant in the litigation.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Eric Newlan,
Firm: Newlan Law Firm, PLLC
Address 1: 2201 Long Prairie Rd. Suite 107-762
Address 2: Flower Mound, Texas 75022
Phone: +1 940-367-6154
Email: eric@newlanpllc.com

Auditors:

Name: Jay Robbins
Firm: M&K CPAs, PLLC
Address 1: 363 N. Sam Houston Pkwy E., Suite 650
Address 2: Houston, Texas 77060
Email: jrobbins@mkacpas.com

Accountant:

Name: Todd Peterson
Firm: KSNE2 Enterprises
Address 1: 3608 Mallardwood Drive
Address 2: Las Vegas, NV 89129
Email: todd@ksne2enterprises.com

Investor Relations Consultant: N/A

Other Service Providers: N/A

10) Issuer Certification

Principal Executive Officer:

I, Mr. Brian Guinn certify that:

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

Date: April 17, 2023
Signature: /s/ Brian Guinn
Name: **Mr. Brian Guinn**
Title: Chairman and CEO

Principal Financial Officer:

I, Mr. Brian Guinn certify that:

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

Date: April 17, 2023
Signature: /s/ Brian Guinn
Name: **Mr. Brian Guinn**
Title: CFO

United Energy Corporation

**Consolidated Financial Statements
For the Years Ended
December 31, 2022 and 2021
(Unaudited)**

CONTENTS

Officer Certification.....	F-1
Consolidated Balance Sheets as of December 31, 2022 and 2021 (Unaudited)	F-2
Consolidated Statements of Operations for the years ended December 31, 2022 and 2021 (Unaudited).....	F-3
Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2022 and 2021 (Unaudited).....	F-4
Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021 (Unaudited).....	F-5
Notes to the Consolidated Financial Statements (Unaudited).....	F-6

United Energy Corporation
101 East Park Blvd., Suite 600
Plano, TX 75074

April 17, 2023

I hereby certify that the accompanying unaudited consolidated financial statements are based on the best information currently available to the Company. To the best of my knowledge, this information presents fairly, in all material respects, the financial position and stockholders' equity of United Energy Corporation as of December 31, 2022 and 2021, and the results of its operations and cash flows for the years ended December 31, 2022 and 2021 in conformity with accounting principles generally accepted in the United States of America.

/s/ Brian Guinn
CEO

UNITED ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash	\$ 26,849	\$ 56,665
Accounts receivable	7,439	-
Prepaid expense	11,242	525
Other current assets	844,965	80,190
Total current assets	<u>890,495</u>	<u>137,380</u>
Property and equipment:		
Oil and natural gas properties, full cost method of accounting:		
Proved properties	1,715,457	1,715,457
Other property and equipment	-	2,500
Total property and equipment	<u>1,715,457</u>	<u>1,717,957</u>
Less, accumulated depreciation, amortization, depletion and allowance for impairment	(420,680)	(410,612)
Total property and equipment, net	<u>1,294,777</u>	<u>1,307,345</u>
Other assets:		
Licensed technologies, net of \$398,656 and \$226,217 of accumulated amortization at December 31, 2022 and 2021, respectively	1,314,390	1,486,830
Investment in securities	81,667	-
Investments	1,946,166	595,000
Goodwill	74,266	-
Total other assets	<u>3,416,489</u>	<u>2,081,830</u>
Total assets	<u>\$ 5,601,761</u>	<u>\$ 3,526,555</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 91,100	\$ 13,757
Accrued expenses	69,300	142,863
Current portion of asset retirement obligations	1,139,024	1,138,744
Total current liabilities	<u>1,299,424</u>	<u>1,295,364</u>
Long term liabilities:		
Asset retirement obligations	50,337	47,027
Convertible notes payable, net of discounts of \$223,164 at December 31, 2022	<u>1,535,439</u>	<u>1,203,047</u>
Total liabilities	<u>2,885,200</u>	<u>2,545,438</u>
Commitments and contingencies	-	-
Stockholders' equity (deficit):		
Preferred stock, \$0.0001 par value, 75,000,000 shares authorized, 5,000,000 shares issued and outstanding	500	500
Common stock, \$0.0001 par value, 425,000,000 shares authorized, 333,920,339 and 246,467,634 shares issued and outstanding at December 31, 2022 and 2021, respectively	33,392	24,647
Additional paid in capital	12,266,370	8,230,192
Subscriptions payable, consisting of 500,000 and 165,000 shares at December 31, 2022 and 2021, respectively	43,225	12,125
Accumulated deficit	(9,626,926)	(7,286,347)
Total stockholders' equity (deficit)	<u>2,716,561</u>	<u>981,117</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 5,601,761</u>	<u>\$ 3,526,555</u>

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

UNITED ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Years Ended December 31,	
	2022	2021 (Restated)
Oil and gas sales	\$ 49,131	\$ 15,112
Operating expenses:		
Lease operating expenses	251,977	51,462
Depletion of oil and natural gas properties	10,068	3,323
Impairment of oil and natural gas properties	-	407,289
Accretion of discount on asset retirement obligations	3,590	1,845
General and administrative	287,935	216,683
Professional fees	1,567,919	574,079
Amortization of licensed technologies	172,440	161,090
Total operating expenses	2,293,929	1,415,771
Operating loss	(2,244,798)	(1,400,659)
Other income (expense):		
Other income	163,333	-
Loss on disposal of property and equipment	(2,500)	-
Gain (loss) on early extinguishment of debt	(11,570)	4,449
Loss on investment in securities	(81,666)	-
Loss on disposal of oil and gas properties	-	(1,366,275)
Interest expense	(163,378)	(142,328)
Total other income (expense)	(95,781)	(1,504,154)
Net loss	\$ (2,340,579)	\$ (2,904,813)
Weighted average number of common shares outstanding - basic and diluted	288,655,879	185,926,310
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.02)

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

UNITED ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Subscriptions	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Payable	Deficit	Stockholders' Equity
Balance, December 31, 2020	5,000,000	\$ 500	161,019,876	\$ 16,102	\$ 5,641,382	\$ 267,526	\$ (4,381,534)	\$ 1,543,976
Common stock issued for cash	-	-	73,362,100	7,336	1,747,479	(33,000)	-	1,721,815
Common stock issued for services	-	-	2,500,000	250	315,025	10,125	-	325,400
Common stock issued for purchase of oil and gas properties	-	-	9,085,658	909	266,617	(267,526)	-	-
Common stock issued for debt conversions	-	-	-	-	-	35,000	-	35,000
Common stock issued for acquisition of Cotton Valley, LLC	-	-	500,000	50	99,350	-	-	99,400
Options granted for services	-	-	-	-	154,399	-	-	154,399
Imputed interest	-	-	-	-	5,940	-	-	5,940
Net loss	-	-	-	-	-	-	(2,904,813)	(2,904,813)
Balance, December 31, 2021	5,000,000	\$ 500	246,467,634	\$ 24,647	\$ 8,230,192	\$ 12,125	\$ (7,286,347)	\$ 981,117
Shares issued as commitment and finders' fee on convertible notes	-	-	372,000	37	93,791	-	-	93,828
Stock subscriptions payable on convertible note commitment fee, 500,000 shares	-	-	-	-	-	43,225	-	43,225
Common stock issued for cash	-	-	57,546,667	5,755	1,163,045	(2,000)	-	1,166,800
Common stock issued pursuant to collateral loan agreement	-	-	8,600,000	860	1,048,340	-	-	1,049,200
Common stock issued for acquisition of oil and gas properties	-	-	3,500,000	350	286,400	-	-	286,750
Shares issued as debt payment in lieu of cash	-	-	2,934,037	293	236,277	-	-	236,570
Common stock issued for services	-	-	14,500,001	1,450	1,208,325	(10,125)	-	1,199,650
Net loss	-	-	-	-	-	-	(2,340,579)	(2,340,579)
Balance, December 31, 2022	5,000,000	\$ 500	333,920,339	\$ 33,392	\$ 12,266,370	\$ 43,225	\$ (9,626,926)	\$ 2,716,561

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

UNITED ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Years Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		(Restated)
Net loss	\$ (2,340,579)	\$ (2,904,813)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depletion, depreciation and amortization	182,508	164,413
Impairment of proved oil and gas properties	-	407,289
Accretion of asset retirement obligations	3,590	1,845
Gain on common stock received on sublicensing agreement	(163,333)	-
Loss on fair value of shares received on sublicensing agreement	81,666	-
Gain on disposal of oil and gas properties	-	1,366,275
(Gain) loss on early extinguishment of debt	11,570	(4,449)
Amortization of debt discounts	37,445	29,947
Common stock issued for services	1,199,650	325,400
Common stock options issued for services	-	154,399
Imputed interest	-	5,940
Loss on disposal of property and equipment	2,500	-
Decrease (increase) in assets:		
Accounts receivable	(7,439)	-
Prepaid expense	(10,717)	(525)
Other current assets	(764,041)	(50,000)
Increase (decrease) in liabilities:		
Accounts payable	77,343	11,544
Accrued expenses	151,437	103,441
Net cash used in operating activities	(1,538,400)	(389,294)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of oil and gas properties	(90,216)	(462,321)
Payments on construction in progress	-	(2,500)
Purchase of investments	-	(595,000)
Purchase of licensing agreements	-	(150,000)
Net used in investing activities	(90,216)	(1,209,821)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received on convertible notes payable	432,000	-
Repayments of convertible notes payable	-	(46,100)
Repayments on notes payable	-	(20,000)
Proceeds received from sale of common stock	1,166,800	1,721,815
Net cash provided by financing activities	1,598,800	1,655,715
NET CHANGE IN CASH	(29,816)	56,600
CASH AT BEGINNING OF PERIOD	56,665	65
CASH AT END OF PERIOD	<u>\$ 26,849</u>	<u>\$ 56,665</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 10,281</u>	<u>\$ 3,000</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Debts converted to common stock	<u>\$ 236,570</u>	<u>\$ 35,000</u>
Debts settled with forfeiture of oil and gas properties	<u>\$ -</u>	<u>\$ 740,000</u>
Oil and gas properties acquired with the issuance of common stock	<u>\$ 1,335,950</u>	<u>\$ 99,400</u>
Value of debt discounts attributable to warrants	<u>\$ 61,691</u>	<u>\$ -</u>
Value of debt discounts attributable to common stock	<u>\$ 75,363</u>	<u>\$ -</u>

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

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

United Energy Corporation was incorporated in Nevada on July 7, 1971. Effective October 31, 2019, United Energy Corporation merged with Rigworx, Inc., a Wyoming Corporation, whereby Rigworx, Inc. was deemed to be the acquiror for accounting purposes and became a is expected to be dissolved. United Energy Corporation and its subsidiaries (“UNRG,” “United Energy,” the “Company,” “we,” “our” or “us”) are engaged in the exploration and production of oil and natural gas properties. Our premier holdings include assets and operations in Texas, Oklahoma, Kansas, and Louisiana. United Energy owns or has operations in over 200,000 acres of leasehold properties, 2,000 wells, and 1,100 miles of natural gas pipelines. Our objective is, and always has been, to maximize our resources for the highest possible gain to our shareholder and company while building a solid foundation of profitable, sustainable assets.

On October 4, 2021, United Energy acquired 49% non-operated ownership in 200,000 acres of oil and natural gas leasehold in Northeastern Oklahoma and Southeastern Kansas, including approximately 2,200 wells and 1,000 miles of natural gas pipelines and gathering systems. The newly acquired assets once reached peaked production of 20,000 MCFD in 2005 and peak oil production of 325 BOPD in 2014. The dynamic rising natural gas demand and historic low inventories makes United Energy's entry into this region a significant strategic decision. As a result of the acquisition, United Energy adds immediate production of approximately 1,000 Million Cubic Feet per Day (“MCFD”) and approximately 30 Barrels of Oil per Day (“BOD”). This asset base includes hundreds of opportunities to restore production through re-work of existing wellbores, recompletions of behind pipe formations, water-floods of existing oil fields, and new drilling opportunities of proven undeveloped locations to offset existing production.

Basis of Accounting

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (SEC). Intercompany accounts and transactions have been eliminated. All references to Generally Accepted Accounting Principles (“GAAP”) are in accordance with The FASB Accounting Standards Codification (“ASC”) and the Hierarchy of Generally Accepted Accounting Principles.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the following entities, all of which were under common control and ownership at December 31, 2022:

Name of Entity ⁽¹⁾	Jurisdiction of Incorporation	Relationship
United Energy Corporation ⁽²⁾	Nevada	Parent
Rigworx, Inc. ⁽³⁾	Wyoming	Subsidiary
Attis Oil and Gas (Panhandle), LLC ⁽⁴⁾	Texas	Subsidiary
Cotton Valley Oil and Gas, LLC ⁽⁵⁾	Nevada	Subsidiary
Entrasco Energy, LLC ⁽⁶⁾	Nevada	Subsidiary
Integrity Terminals, LLC ⁽⁷⁾	Louisiana	Subsidiary

⁽¹⁾ All entities are in the form of a corporation.

⁽²⁾ Parent company, which owns each of the wholly-owned subsidiaries. All subsidiaries shown above are wholly-owned by United Energy Corporation

⁽³⁾ Incorporated on January 31, 2018

⁽⁴⁾ Acquired on February 7, 2020

⁽⁵⁾ Acquired on August 1, 2021

⁽⁶⁾ Acquired on August 1, 2021

⁽⁷⁾ Acquired on June 3, 2022

The consolidated financial statements herein contain the operations of the wholly-owned subsidiaries listed above. All significant inter-company transactions have been eliminated in the preparation of these financial statements. The parent company and subsidiaries will be collectively referred to herein as the “Company”, “United Energy” or “UNRG”. The Company's headquarters are located in Plano, Texas and substantially all of its revenues are within the United States.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Segment Reporting

ASC Topic 280, “Segment Reporting,” requires use of the “management approach” model for segment reporting. The management approach model is based on the way a company’s management organizes segments within the company for making operating decisions and assessing performance. The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Fair Value of Financial Instruments

The Company adopted ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying value of cash, accounts receivable, accounts payables and accrued expenses are estimated by management to approximate fair value primarily due to the short-term nature of the instruments.

Cash and Cash Equivalents

Cash equivalents include money market accounts which have maturities of three months or less. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates market value. There were no cash equivalents on hand at December 31, 2022 and 2021.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The Company did not have an allowance for doubtful accounts as of December 31, 2022 or 2021, as collectability of substantially all of its accounts receivable was reasonably assured.

Property and Equipment

Property and equipment are stated at the lower of cost or estimated net recoverable amount. The cost of property, plant and equipment is depreciated using the straight-line method based on the lesser of the estimated useful lives of the assets or the lease term based on the following life expectancy:

Office equipment	5 years
Furniture and fixtures	7 years
Machinery and equipment	7 years

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. When assets are retired or sold, the cost and related accumulated depreciation and amortization are eliminated and any resulting gain or loss is reflected in operations.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Oil & Gas Properties

We use the full cost method of accounting for exploration and development activities as defined by the SEC. Under this method of accounting, the costs of unsuccessful, as well as successful, exploration and development activities are capitalized as properties and equipment. This includes any internal costs that are directly related to property acquisition, exploration and development activities but does not include any costs related to production, general corporate overhead or similar activities. Gain or loss on the sale or other disposition of oil and natural gas properties is not recognized, unless accounting for the sale as a reduction of capitalized costs would significantly alter the relationship between capitalized costs and proved reserves.

Oil and natural gas properties include costs that are excluded from costs being depleted or amortized. Costs excluded from depletion or amortization represent investments in unevaluated properties and include non-producing leasehold, geological and geophysical costs associated with leasehold or drilling interests and exploration drilling costs. We exclude these costs until the property has been evaluated. Costs associated with unevaluated properties will be transferred to evaluated properties either (i) ratably over a period of the related field's life, or (ii) upon determination as to whether there are any proved reserves related to the unevaluated properties or the costs are impaired or capital costs associated with the development of these properties will not be available. Unevaluated properties with significant acquisition costs are assessed annually on a property-by-property basis and any impairment in value is charged to expense.

Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. Recoverability is assessed using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. Impairment is measured using discounted cash flows of future operating results based upon a rate that corresponds to the cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds discounted cash flows of future operations.

Our intellectual property is comprised of indefinite-lived brand names and trademarks acquired and have been assigned an indefinite life as we currently anticipate that these brand names will contribute cash flows to the Company perpetually. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Asset Retirement Obligations

The Company accounts for its abandonment and restoration liabilities under Financial Accounting Standards Board ("FASB") ASC Topic 410, "Asset Retirement and Environmental Obligations" ("FASB ASC 410"), which requires the Company to record a liability equal to the fair value of the estimated cost to retire an asset upon initial recognition. The asset retirement liability is recorded in the period in which the obligation meets the definition of a liability, which is generally when the asset is placed into service. When the liability is initially recorded, the Company increases the carrying amount of oil and natural gas properties by an amount equal to the original liability. The liability is accreted to its present value each period, and the capitalized cost is depreciated consistent with depletion of reserves. Upon settlement of the liability or the sale of the well, the liability is relieved. These liability amounts may change because of changes in asset lives, estimated costs of abandonment or legal or statutory remediation requirements.

Business Combinations

The Company accounts for its acquisitions that qualify as a business using the acquisition method under FASB ASC Topic 805, "Business Combinations." Under the acquisition method, assets acquired and liabilities assumed are recognized and measured at their fair values. The use of fair value accounting requires the use of significant judgment since some transaction components do not have fair values that are readily determinable. The excess, if any, of the purchase price over the net fair value amounts assigned to assets acquired and liabilities assumed is recognized as goodwill. Conversely, if the fair value of assets acquired exceeds the purchase price, including liabilities assumed, the excess is immediately recognized in earnings as a bargain purchase gain.

Intangible Assets

Intangible assets consist of trademarks and are capitalized when acquired. The determination of fair value involves considerable estimates and judgment. In particular, the fair value of a reporting unit involves, among other things, developing forecasts of future cash flows and determining an appropriate discount rate. Although UNRG believes it has based its impairment testing of its intangible assets on reasonable estimates and assumptions, the use of different estimates and assumptions could result in materially different results. If the current legal and regulatory environment, business or competitive climate worsens, or UNRG's operating companies' strategic initiatives adversely affect their financial performance, the fair value of trademarks and other intangible assets could be impaired in future periods. Trademarks and other intangible assets with indefinite lives are not amortized, but are tested for impairment annually, in the fourth quarter, and more frequently if events and circumstances indicate that the asset might be impaired.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Concentrations of Market, Credit Risk and Other Risks

The future results of the Company's crude oil and natural gas operations will be affected by the market prices of crude oil and natural gas. The availability of a ready market for crude oil and natural gas products in the future will depend on numerous factors beyond the control of the Company, including weather, imports, marketing of competitive fuels, proximity and capacity of crude oil and natural gas pipelines and other transportation facilities, any oversupply or undersupply of crude oil, natural gas and liquid products, economic disruptions resulting from the COVID-19 pandemic, the regulatory environment, the economic environment, and other regional and political events, none of which can be predicted with certainty.

The Company operates in the exploration, development and production sector of the crude oil and natural gas industry. The Company's receivables include amounts due, indirectly via the third-party operators of the wells, from purchasers of its crude oil and natural gas production. While certain of these customers, as well as third-party operators of the wells, are affected by periodic downturns in the economy in general or in their specific segment of the crude oil or natural gas industry, the Company believes that its level of credit-related losses due to such economic fluctuations have been immaterial.

The Company manages and controls market and counterparty credit risk. In the normal course of business, collateral is not required for financial instruments with credit risk. Financial instruments which potentially subject the Company to credit risk consist principally of temporary cash balances and derivative financial instruments. The Company maintains cash and cash equivalents in bank deposit accounts which, at times, may exceed the federally insured limits. The Company has not experienced any significant losses from such investments. The Company attempts to limit the amount of credit exposure to any one financial institution or company. The Company believes the credit quality of its counterparties is generally high. In the normal course of business, letters of credit or parent guarantees may be required for counterparties which management perceives to have a higher credit risk.

Revenue Recognition

The Company's revenues are primarily derived from its interests in the sale of oil and natural gas production. The Company recognizes revenue from its interests in the sales of crude oil and natural gas in the period that its performance obligations are satisfied. Performance obligations are satisfied when the customer obtains control of product, when the Company has no further obligations to perform related to the sale, when the transaction price has been determined and when collectability is probable. The sales of oil and natural gas are made under contracts which the third-party operators of the wells have negotiated with customers, which typically include variable consideration that is based on pricing tied to local indices and volumes delivered in the current month. The Company receives payment from the sale of oil and natural gas production from one to three months after delivery. At the end of each month when the performance obligation is satisfied, the variable consideration can be reasonably estimated and amounts due from customers are accrued in trade receivables, net in the balance sheets. Variances between the Company's estimated revenue and actual payments are recorded in the month the payment is received; however, differences have been and are insignificant. Accordingly, the variable consideration is not constrained.

The Company does not disclose the value of unsatisfied performance obligations under its contracts with customers as it applies the practical exemption in accordance with FASB ASC Topic 606. The exemption, as described in ASC 606-10-50-14(a), applies to variable consideration that is recognized as control of the product is transferred to the customer. Since each unit of product represents a separate performance obligation, future volumes are wholly unsatisfied, and disclosure of the transaction price allocated to remaining performance obligations is not required.

The Company's oil is typically sold at delivery points under contracts terms that are common in our industry. The Company's natural gas produced is delivered by the well operators to various purchasers at agreed upon delivery points under a limited number of contract types that are also common in our industry. Regardless of the contract type, the terms of these contracts compensate the well operators for the value of the oil and natural gas at specified prices, and then the well operators will remit payment to the Company for its share in the value of the oil and natural gas sold.

A wellhead imbalance liability equal to the Company's share is recorded to the extent that the Company's well operators have sold volumes in excess of its share of remaining reserves in an underlying property. However, for the years ended December 31, 2022 and 2021, the Company's natural gas production was in balance, meaning its cumulative portion of natural gas production taken and sold from wells in which it has an interest equaled its entitled interest in natural gas production from those wells.

The Company's disaggregated revenue has two primary sources: oil sales and natural gas and NGL sales. Substantially all of the Company's oil and natural gas sales come from four geographic areas in the United States: Texas, Oklahoma, Kansas and Louisiana.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising and promotions expense was \$18,638 and \$6,634 for the years ended December 31, 2022 and 2021, respectively.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718). All transactions in which the consideration provided in exchange for the purchase of goods or services consists of the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the years ended December 31, 2022 and 2021, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Uncertain Tax Positions

In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe 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. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Adoption of New Accounting Standards and Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's financial statements upon adoption.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which creates an exception to the general recognition and measurement principle for contract assets and contract liabilities from contracts with customers acquired in a business combination. The new guidance will require companies to apply the definition of a performance obligation under accounting standard codification ("ASC") Topic 606 to recognize and measure contract assets and contract liabilities (i.e., deferred revenue) relating to contracts with customers that are acquired in a business combination. Under current GAAP, an acquirer in a business combination is generally required to recognize and measure the assets it acquires and the liabilities it assumes at fair value on the acquisition date. The new guidance will result in the acquirer recording acquired contract assets and liabilities on the same basis that would have been recorded by the acquiree before the acquisition under ASC Topic 606. These amendments are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The adoption of ASU 2021-08 is not expected to have a material impact on the Company's financial statements or related disclosures.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Adoption of New Accounting Standards and Recently Issued Accounting Pronouncements (Continued)

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share* (Topic 260), *Debt – Modifications and Extinguishments* (Subtopic 470-50), *Compensation* (Topic 718), and *Derivatives and Hedging – Contracts in Entity's Own Equity* (Subtopic 815-40) *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity Classified Written Call Options*. ASU 2021-04 addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. ASU 2021-04 is effective for fiscal years beginning after December 15, 2021 and interim periods within those fiscal years, with early adoption permitted. The adoption of ASU 2021-04 has not had a material impact on the Company's financial statements or related disclosures.

In March 2020, the FASB issued ASU 2020-04 *establishing Topic 848, Reference Rate Reform*. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The pronouncement provides temporary optional expedients and exceptions to the current guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The adoption of ASU 2020-04 did not have a material impact on the Company's consolidated financial statements, as we transitioned from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates, as well as utilizing the aforementioned expedients and exceptions provided in ASU 2020-04.

In August 2020, the FASB issued ASU No. 2020-06, *Debt–Debt with Conversion and Other Options* (Subtopic 470-20) and *Derivatives and Hedging–Contracts in Entity's Own Equity* (Subtopic 815-40): *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* (ASU 2020-06), which simplifies the accounting for convertible instruments by reducing the number of accounting models available for convertible debt instruments. This guidance also eliminates the treasury stock method to calculate diluted earnings per share for convertible instruments and requires the use of the if converted method. The new guidance is effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2021, with early adoption permitted. The adoption of ASU 2020-06 is not expected to have a material impact on the Company's financial statements or related disclosures.

No other new accounting pronouncements, issued or effective during the year ended December 31, 2022, have had or are expected to have a significant impact on the Company's financial statements.

Note 2 – Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred recurring losses from operations resulting in an accumulated deficit of \$9,626,926, negative working capital of \$408,929 and as of December 31, 2022, the Company's cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new customers to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. Management believes these factors will contribute toward achieving profitability. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The consolidated financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Parties

During the year ended December 31, 2022, the Company paid a total of \$158,000 of compensation to the Company's CEO, Brian Guinn.

During the year ended December 31, 2022, Seven P Capital, LLC, an entity owned by the Company's CEO, was paid a total of \$13,557 for rents owed pursuant to month-to-month sublease agreement.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 4 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has cash and cash equivalents and a revolving credit facility that must be measured under the fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 – Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balances sheet as of December 31, 2022 and 2021:

	Fair Value Measurements at December 31, 2022		
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 26,849	\$ -	\$ -
Licensed technologies	-	1,314,390	-
Investment in securities	-	81,667	-
Total assets	26,849	1,396,057	-
Liabilities			
Convertible notes payable, net of discounts of \$223,164	-	-	1,535,439
Total liabilities	-	-	1,535,439
	\$ 26,849	\$ 1,396,057	\$ (1,535,439)
	Fair Value Measurements at December 31, 2021		
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 56,665	\$ -	\$ -
Licensed technologies	-	1,486,830	-
Total assets	56,665	1,486,830	-
Liabilities			
Convertible notes payable	-	-	1,203,047
Total liabilities	-	-	1,203,047
	\$ 56,665	\$ 1,486,830	\$ (1,203,047)

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the years ended December 31, 2022 or 2021.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 5 – Property and Equipment

Property and equipment at December 31, 2022 and 2021, consisted of the following:

	December 31, 2022	December 31, 2021
Oil and gas properties, full cost method:		
Evaluated costs	\$ 1,715,457	\$ 1,715,457
Unevaluated costs, not subject to amortization or ceiling test	-	-
	1,715,457	1,715,457
Other property and equipment	-	2,500
	1,715,457	1,717,957
Less: Accumulated depreciation, amortization, depletion and impairments	(420,680)	(410,612)
Total property and equipment, net	\$ 1,294,777	\$ 1,307,345

There was \$10,068 and \$3,323 of depreciation, depletion, or amortization expense for the year ended December 31, 2022. There was no depreciation, depletion, or amortization expense for the years ended December 31, 2022 and 2021, respectively.

On December 31, 2022, the Company disposed of equipment no longer in service. No proceeds were received on the disposal of the equipment, resulting in a loss on disposal of fixed assets of \$2,500, which represented the net book value at the time of disposal.

Note 6 – Oil and Gas Properties

The Company's oil and gas properties consist of all acreage acquisition costs (including cash expenditures and the value of stock consideration), drilling costs and other associated capitalized costs, located in Texas, Oklahoma, Kansas and Louisiana.

There were no capitalized costs for the purchase and development of our oil and gas properties for the years ended December 31, 2022 or 2021.

2022 Divestitures

There were no divestitures of oil and gas properties for the years ended December 31, 2022 and 2021.

Note 7 – Licensed Technologies, Micronizing Technologies

On August 4, 2020, the Company entered into an agreement, as amended, to license the rights to certain intellectual property, including, but not limited to a technology called, PulseWave Natural Resonance Disintegration ("NRD"), through an Oil Shale License Agreement ("the Agreement"). The Company also entered into an option agreement ("the Option") to acquire the Master World-Wide Oil Shale License Agreement ("World-Wide License") that would allow the Company to sub-license the technology to other oil shale mining companies throughout the world. The Company also paid an additional \$150,000 for the exercise of the Option, payable in ten monthly installments of \$10,000 and a final payment of \$50,000. The technology, developed by Micronizing Technologies, LLC, a Texas limited liability company ("Licensor") reduces particle sizes to granular or submicronic of various materials. This process allows for the clean removal and liberation of the desirable organic material, known as kerogen, from raw oil shale ore prior to the retorting process. The purchase price paid for the license was \$1,713,047, which consisted of an initial payment of \$200,000, the issuance of 4 million shares of the Company's common stock, with a fair market value of \$160,000, the \$150,000 of payments to exercise the Option for the World-Wide License and \$1,203,047, which represents the present value of \$2,000,000 payable over a ten-year period in annual installments between \$100,000 and \$300,000, which represents the licensed technologies' fair value. This amount was recorded as an intangible asset and is being amortized over the period of its estimated benefit period of 10 years. The Company recognized \$172,440 and \$161,090 of amortization expense for the years ended December 31, 2022 and 2021, respectively. At December 31, 2022, the carrying value of the licensed technologies was \$1,314,390, net of accumulated amortization of \$398,657.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 8 – Investments

On February 23, 2022, the Company paid a \$20,000 non-refundable deposit pursuant to a Stock Purchase Agreement (“SPA”) that the Company entered into with Mrs. Steven L. Sample, Edward W. Sample, and Stephen D. Spivey (collectively the “Sellers”), whereby the Company could purchase up to eighty percent (80%) of the issued and outstanding capital stock of Mining Partners, Inc., a Florida Corporation, (“Mining Partners”). This option expired on April 4, 2022. Mining Partners owns the intellectual property associated with the PulseWave License that the Company licensed on August 4, 2020. The SPA would have enabled the Company to purchase up to 80% of Mining Partners from the Sellers for a total purchase price of \$5,000,000. Had the Company acquired an aggregate 51% ownership interest in Mining Partners, the Company would have assumed management control, and the investment would have been consolidated in the Company’s financial statements, but the Company has elected not to move forward with this acquisition at this time. The Company had currently accounted for the \$20,000 non-refundable deposit on the cost method.

On various dates between July 23, 2021 and January 7, 2022, the Company purchased a total of 12.5% interest in Integrity Terminals, LLC (“Integrity”) from Diamond Rose Development, LLC (“Diamond Rose”) for a total purchase price of \$75,000, of which \$5,000 was paid during the year ended December 31, 2022. On June 3, 2022, the Company entered into a settlement agreement with Diamond Rose, whereby the Company received the remaining 87.5% interest in Integrity, including the assumption of \$12,542.42 of outstanding legal fees owed by Integrity.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 9 – Convertible Notes Payable

Convertible notes payable consists of the following at December 31, 2022 and 2021, respectively:

	December 31, 2022	December 31, 2021
On October 24, 2022, the Company entered into a securities purchase agreement and convertible debt financing of up to \$5 million with Leonite Fund I, LP (“Leonite”). The secured financing of up to \$5 million is through a Senior Secured Convertible Note (“the Note”). If elected, the Note is convertible into UNRG’s Common Stock at a conversion price of \$0.10 per share. It can be issued in tranches, and will be a senior secured obligation that will accrue interest at a rate equal to the Prime Rate plus 9.0% per annum, with a minimum rate of 15% per annum payable monthly. The Note carries an Original Issue Discount (“OID”) of \$555,556, on a pro-rata basis for each tranche. The securities purchase agreement also provided for the issuance of two series of warrants exercisable at \$0.20 and \$0.30 per share. Each warrant consisted of the issuance of 375,000 shares of common stock, fully vested and exercisable over a five-year term. In addition, the Company agreed to pay a commitment fee to Leonite in the form of 5,000,000 shares of the Company’s common stock (“Commitment Fee Shares”) in connection with the issuance of the \$5 million debt commitment. The shares are to be issued on a pro rata basis equal to the amount of the proceeds received on the loan.		
Paulson Investment Company, LLC facilitated the financing and will be entitled to a cash fee equal to eight percent (8%), and a warrant to purchase eight percent (8%) of the equity securities issued in the financing, or into which the securities issued in the financing are convertible or exercisable.	\$ 555,556	\$ -
On August 4, 2020, the Company completed the purchase of certain intellectual property licensing rights pursuant to a Master Worldwide Oil Shale License Agreement with Option (“Master License”) in exchange for a Secured Convertible Promissory Note, carrying a net present value of \$1,203,047 using the Company’s effective borrowing rate of 8%, on total payments of \$2,000,000. The Note matures on December 31, 2030, is non-interest bearing, carries a default interest rate of 5% per annum, and is convertible into nonrestricted shares of the Company’s common stock at a conversion price of the average traded price over the preceding fifteen (15) trading days prior to notice of conversion. The Company’s obligations under the Note are secured by the Company’s common stock. As amended on February 1, 2021, the principal payments are conditioned upon the Company exercising its option to become the Master Oil Shale Licensee pursuant to the terms and conditions of that certain Master License Agreement, it may thereafter at its sole option, apply all, or any portion of, any commissions it actually earns pursuant to its sale of Sub-Licenses as Master Licensee to no less than 10% of its 50% commission for any Sub-License sale to installment payments. Annual principal payments are due as follows:		
<ul style="list-style-type: none"> • \$100,000 due, on or before, December 31, 2021, which was paid in January of 2022 with the issuance of 1,239,665 shares of common stock in lieu of cash; • \$125,000 due, on or before, December 31, 2022, which was paid in January of 2022 with the issuance of 1,694,372 shares of common stock in lieu of cash; • \$150,000 due, on or before, December 31, 2023; • \$175,000 due, on or before, December 31, 2024; • \$200,000 due, on or before, December 31, 2025; • \$225,000 due, on or before, December 31, 2026; • \$250,000 due, on or before, December 31, 2027; • \$275,000 due, on or before, December 31, 2028; • \$300,000 due, on or before, December 31, 2029; • \$200,000 due, on or before, December 31, 2030; 	1,203,047	1,203,047
Total convertible notes payable	1,758,603	-
Less: debt discounts	223,164	-
Convertible notes payable	\$ 1,535,439	\$ 1,203,047

The Company recorded interest expense on the convertible notes in the amount of \$163,378 and \$103,149 for the years ended December 31, 2022 and 2021, respectively, including \$47,727 of amortized debt discounts for the year ended December 31, 2022.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 10 – Commitments and Contingencies

Finder's Fees

On August 9, 2022, the Company entered into a Finder's Fee Agreement ("FFA") with Paulson Investment Company, LLC ("Paulson"), as amended, whereby the Company agreed to engage Paulson through December 31, 2022 to source financing for the Company. The agreement could be mutually extended for an additional ninety (90) day period. Pursuant to the FFA, the Company agreed to compensate Paulson based on a percentage of any amounts received by the Company as a result of any financing sourced by Paulson. The Company shall pay a cash fee equal to eight percent (8%), and shares of common stock at eight percent (8%) of the equity securities issued in the financing, or into which the securities issued in the financing are convertible or exercisable. The Company issued 372,000 shares pursuant to the Leonite financing during the year ended December 31, 2022. The aggregate fair value of the common stock was \$32,138, based on the closing traded price of the common stock on the date of grant.

Note 11 – Stockholders' Equity (Deficit)

Preferred Stock

The Company has 75,000,000 authorized shares of \$0.0001 par value preferred stock, designated as Series A Preferred Stock. Each share of Series A Preferred Stock carries preferential voting rights of 500 to 1 over common stock. Series A Preferred Stock cannot be converted into common stock and does not receive a dividend. The Company has a total of 5,000,000 shares of Series A Preferred shares issued and outstanding. Samuel Smith was the sole shareholder of the 5,000,000 shares until May 5, 2021 when they were transferred to the Company's new CEO, Brian Guinn.

Common Stock

The Company has 200,000,000 authorized shares of \$0.001 par value common stock. As of December 31, 2022, a total of 333,920,339 shares of common stock have been issued.

Common Stock Issued for the Purchase of Licensed Technologies, 2022

On December 27, 2022, the Company issued an aggregate 1,694,372 shares of its common stock to three individuals as payment in lieu of the \$100,000 payment owed on December 31, 2022 for the purchase of the intellectual property called, PulseWave Natural Resonance Disintegration. The fair value of the common stock was \$125,000, based on the closing traded price of the common stock on the date of grant.

On January 7, 2022, the Company issued an aggregate 1,239,665 shares of its common stock to three individuals as payment in lieu of the \$100,000 payment owed on December 31, 2021 for the purchase of the intellectual property called, PulseWave Natural Resonance Disintegration. The fair value of the common stock was \$111,570, based on the closing traded price of the common stock on the date of grant, resulting in a loss on early extinguishment of debt in the amount of \$11,570.

Common Stock Issued for the Acquisition of Cotton Valley Oil & Gas, LLC, 2021

On October 12, 2021, the Company issued 500,000 shares of its common stock to the sellers of Cotton Valley Oil & Gas, LLC pursuant to a purchase and sale agreement, as amended, for the acquisition of Cotton Valley Oil and Gas, LLC and its assets and liabilities. The fair value of the common stock was \$99,400, based on the closing traded price of the common stock on the date of grant.

Common Stock Issued for the Purchase of Oil and Gas Properties, 2022

On December 27, 2022, the Company issued 1,000,000 shares of its common stock to purchase the remaining 51% of interests in oil and gas assets, known as the Rogers County Coal Seam (ROCCS) project. The ROCCS assets consist of oil and gas leases, producing wells, disposal wells and injection wells situated thereon, all equipment presently on the leased property, and all operating agreements, marketing contracts, surfaces leases, surface rights, easements, licenses, permits, rights of way, and similar rights and interests owned or exercised by the seller within Rogers County, Oklahoma from Floyd Dale Crenshaw Jr. and associates. The fair value of the common stock was \$73,000, based on the closing traded price of the common stock on the date of grant.

On April 27, 2022, the Company amended its letter of intent, dated September 18, 2021, to purchase oil and gas assets within Wagoner County, Oklahoma from Nash Oil, Gas and Power, Inc. ("NOGP"). Pursuant to the amendment, the Company issued a total of 2,500,000 shares of its common stock to three individuals as partial payment on the acquisition. The fair value of the common stock was \$213,750, based on the closing traded price of the common stock on the date of grant. The closing of this asset purchase has not yet occurred.

Debt Conversions, 2021

On January 30, 2021, a total of \$35,000 of principal was converted into 1,400,000 shares of common stock in accordance with the terms of the promissory note. The shares were subsequently issued on May 21, 2021.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 11 – Stockholders' Equity (Deficit) (Continued)

Common Stock Issued Pursuant to Collateral Loan Agreement, 2022

On July 25, 2022, the Company entered into a collateral loan agreement with Gateway Resources USA ("Gateway"), Inc. Pursuant to the agreement, the Company agrees to make current and future loans to Gateway as needed for operating and administrative purposes. In exchange for this arrangement, Gateway pledges to the Company all of its assets, leases, wells, pipelines, equipment and machinery as collateral. The Company has the option but not obligation to acquire the assets of Gateway in lieu of foreclosure at a date of its choosing. The Company issued 8,600,000 shares of common stock to the ownership of Gateway's previous lender, Blaine Exploration, Ltd. to assume its position as Senior Creditor. The fair value of the common stock was \$1,049,200, based on the closing traded price of the common stock on the date of grant. To date, the Company has advanced \$850,000 to Gateway for operational and administrative purposes including repayment of loans to Blaine Exploration, Ltd.

Common Stock Issued as a Promissory Note Commitment, 2022

As disclosed in Note 9, above, the Company paid a commitment fee to Leonite Fund I, LP, in the form of 5,000,000 shares of the Company's common stock ("Commitment Fee Shares") in connection with the issuance of a \$5,000,000 debt commitment. The shares are to be issued on a pro rata basis equal to the amount of the proceeds received on the loan. As a result, the Company awarded 250,000 shares of common stock to Leonite Fund I, LP on both, October 24, 2022 and November 29, 2022, related to loan advances of \$250,000 on each of those respective grant dates. The fair value of the shares was \$22,000 and \$21,225, respectively, based on the closing price of the Company's common stock on the date of grant. The aggregate shares were subsequently issued on March 9, 2023, therefore the \$43,225 was recorded as a subscription payable at December 31, 2022.

Common Stock Sales, 2022

On October 14, 2022, the Company sold 2,500,000 shares of its common stock to an accredited investor at \$0.02 per share in exchange for proceeds of \$50,000.

On various dates from July 1, 2022 through August 11, 2022, the Company sold 27,565,000 shares of its common stock to a total of thirty-six accredited investors at \$0.02 per share in exchange for proceeds of \$551,300.

On various dates from May 11, 2022 through June 30, 2022, the Company sold 15,250,000 shares of its common stock to a total of ten accredited investors at \$0.02 per share in exchange for proceeds of \$305,000. The shares were subsequently issued on August 9, 2022.

On March 31, 2022, the Company sold 625,000 shares of its common stock to an accredited investor at \$0.02 per share in exchange for proceeds of \$12,500. The shares were subsequently issued on May 16, 2022.

On March 18, 2022, the Company sold 666,667 shares of its common stock to an accredited investor at \$0.045 per share in exchange for proceeds of \$30,000.

During various dates from January 12, 2022 through March 28, 2022, the Company sold an aggregate 10,900,000 shares of its common stock to five accredited investors at \$0.02 per share in exchange for aggregate proceeds of \$218,000.

Common Stock Issued in 2022 on Subscriptions Payable Outstanding at December 31, 2021

On March 30, 2022, the Company issued an aggregate 165,001 shares in satisfaction of \$12,125 of Subscriptions Payable outstanding at December 31, 2021.

Common Stock Sales, 2021

During the three months ending December 31, 2021, the Company sold an aggregate 11,880,000 shares of its common stock to nineteen accredited investors at \$0.05 per share in exchange for aggregate proceeds of \$594,000, of which 40,000 shares were subsequently issued on March 30, 2022, resulting in a subscription payable of \$2,000 at December 31, 2021.

During the three months ending December 31, 2021, the Company sold an aggregate 17,120,000 shares of its common stock to twenty-three accredited investors at \$0.02 per share in exchange for aggregate proceeds of \$342,400.

During the three months ending September 30, 2021, the Company sold an aggregate 19,477,000 shares of its common stock to thirty-nine accredited investors at \$0.02 per share in exchange for aggregate proceeds of \$389,540, of which 2,935,000 shares were issued on various dates in July, and 16,462,000 and 80,000 shares were subsequently issued on October 5, 2021 and December 8, 2021, respectively.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 11 – Stockholders' Equity (Deficit) (Continued)

Common Stock Sales, 2021 (Continued)

During the three months ending June 30, 2021, the Company sold an aggregate 19,775,100 shares of its common stock to ten accredited investors at \$0.02 per share in exchange for aggregate proceeds of \$395,500, of which 5,000,000 shares were issued on May 10, 2021, and 12,275,100 and 2,500,000 shares were subsequently issued on July 12, 2021 and October 5, 2021, respectively.

On July 12, 2021, the Company sold 1,250,000 shares of its common stock to an accredited investor at par value, \$0.0001, in exchange for proceeds of \$125, of which 1,000,000 and 250,000 shares were issued on July 12, 2021 and October 5, 2021, respectively.

On June 28, 2021, the Company sold an aggregate 2,500,000 shares of its common stock to two accredited investors at par value, \$0.0001, in exchange for proceeds of \$250. The shares were subsequently issued on July 12, 2021.

Common Stock Issued for Services, 2022

On November 11, 2022, the Company awarded 125,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$12,375, based on the closing traded price of the common stock on the date of grant.

On November 10, 2022, the Company awarded 250,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$25,512, based on the closing traded price of the common stock on the date of grant.

On October 1, 2022, the Company awarded an aggregate 2,125,000 shares of common stock to three individuals for services rendered. The aggregate fair value of the common stock was \$211,863, based on the closing traded price of the common stock on the date of grants.

On June 2, 2022, the Company awarded 5,000,000 shares of common stock to an individual for services rendered. The aggregate fair value of the common stock was \$350,000, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued on August 9, 2022.

On May 1, 2022, the Company awarded 250,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$18,750, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued on August 9, 2022.

On July 1, 2022, the Company awarded an aggregate 2,125,000 shares of common stock to three individuals for services rendered. The aggregate fair value of the common stock was \$196,775, based on the closing traded price of the common stock on the date of grants.

On April 1, 2022, the Company awarded an aggregate 2,000,000 shares of common stock to two individuals for services rendered. The aggregate fair value of the common stock was \$171,000, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued on August 9, 2022.

On April 1, 2022, the Company awarded 125,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$10,688, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued on August 9, 2022.

On March 31, 2022, the Company issued 125,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$10,687, based on the closing traded price of the common stock on the date of grant.

On February 1, 2022, the Company issued 250,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$30,000, based on the closing traded price of the common stock on the date of grant.

On January 1, 2022, the Company awarded an aggregate 2,000,000 shares of common stock to two individuals for services rendered. The aggregate fair value of the common stock was \$162,000, based on the closing traded price of the common stock on the date of grant.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 11 – Stockholders’ Equity (Deficit) (Continued)

Common Stock Issued for Services, 2021

On December 31, 2021, the Company awarded 125,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$10,125, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued on March 30, 2022, resulting in a subscription payable of \$10,125 at December 31, 2021.

On November 1, 2021, the Company awarded 250,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$41,225, based on the closing traded price of the common stock on the date of grant.

On October 1, 2021, the Company awarded an aggregate 2,000,000 shares of common stock to two individuals for services rendered. The aggregate fair value of the common stock was \$260,800, based on the closing traded price of the common stock on the date of grant.

On August 1, 2021, the Company awarded 250,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$13,250, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued on December 8, 2021.

Note 12 – Common Stock Options

Stock Incentive Plan

The Company does not currently have an equity incentive plan in place, and there were no options outstanding at December 31, 2022 or 2021.

Note 13 – Common Stock Warrants

Outstanding Warrants

Warrants to purchase an aggregate total of 750,000 shares of common stock at a \$0.25 strike price, exercisable over a weighted average remaining life of 4.81 years were outstanding as of December 31, 2022.

Warrants Granted

On October 24, 2022, the Company closed a private placement and concurrently entered into a Convertible Note and Warrant Purchase Agreement with Leonite Fund I, LP, whereby Leonite was awarded warrants to purchase an aggregate 750,000 shares of common stock. The warrants were awarded in two series (“Series A” and “Series B”). The Series A warrants entitle Leonite to purchase 375,000 shares of the Company’s common stock at a price of \$0.20 per share over a five-year term. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 403% and a call option value of \$0.08, was \$31,047. The Series B warrants entitle Leonite to purchase 375,000 shares of the Company’s common stock at a price of \$0.30 per share over a five-year term. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 403% and a call option value of \$0.08, was \$30,644. The warrants will be expensed as a debt discount over the life of the loans. A total of \$11,493 of debt discounts related to the warrants was expensed during the year ended December 31, 2022, and \$50,198 of the debt discount remained unamortized as of December 31, 2022.

No warrants were awarded during the year ended December 31, 2021. And, no warrants were exercised, cancelled or expired during the years ended December 31, 2022 and 2021.

The following is a summary of activity of outstanding warrants:

	Number of Shares	Weighted Average Exercise Prices
Balance, December 31, 2020	-	\$ -
Warrants granted	-	-
Balance, December 31, 2021	-	-
Warrants granted	750,000	0.25
Balance, December 31, 2022	<u>750,000</u>	\$ 0.25
Exercisable, December 31, 2022	<u>750,000</u>	\$ 0.25

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 14 – Gain on Early Extinguishment of Debt

Gain (loss) on early extinguishment of debt was \$(11,570) and \$4,449 during the years ended December 31, 2022 and 2021, respectively. The \$11,570 loss for the years ended December 31, 2022, resulted from the issuance of an aggregate 1,239,665 shares of its common stock to three individuals as payment in lieu of a \$100,000 debt payment. The fair value of the common stock was \$111,570, based on the closing traded price of the common stock on the date of grant, resulting in a loss on early extinguishment of debt in the amount of \$11,570.

Note 15 – Gain on Investment in Securities

On September 7, 2022, the Company sublicensed, on an exclusive basis, with the consent of the master license holder, certain intellectual property useful in the extraction of kerogen, the precursor to crude oil, from oil shale known as the “PulseWave Technology”, to New Frontier Energy, Inc. (“NFEI”). In consideration of the sublicense, the Company received a sublicense fee, consisting of 11,666,667 shares of NFEI’s common stock, which was valued at \$0.014 per share, or \$163,333, based on the closing sale price of NFEI’s common stock on the date of grant, and NFEI is obligated to pay the Company an ongoing royalty equal to 10% of the gross revenues of the Company with respect to NFEI’s gross revenues attributable to the PulseWave Technology. In addition, the Company’s CEO, Brian Guinn, entered into a one-year consulting agreement with Real Transition Capital, LLC (“RTC”), a related party to NFEI, pursuant to which RTC is obligated to pay Mr. Guinn \$2,500 per month.

As of December 31, 2022, the market value of the Company’s investment in NFEI’s common stock was \$81,667, based on the closing stock price of \$0.007 per share. Thus, we recognized a loss of \$81,666 to reflect the change in the market value of the stock.

Note 16 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the years ended December 31, 2022 and 2021, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2022, the Company had approximately \$4,662,000 of federal net operating losses. The net operating loss carry forwards, if not utilized, will begin to expire in 2033.

Based on the available objective evidence, including the Company’s history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2022 and 2021, respectively.

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 17 – Subsequent Events

The Company evaluates events that have occurred after the balance sheet date through the date hereof, which these financial statements were issued. No events occurred of a material nature that would have required adjustments to or disclosure in these financial statements except as follows:

Debt Financing

On February 15, 2023, the Company received proceeds in the amount of \$20,000 pursuant to a loan from an accredited investor. The unsecured financing matures on February 15, 2024, and (“the Promissory Note”). In lieu of interest, the Company issued the debt holder 2,666,666 shares of the Company’s common stock.

Common Stock Issued on Subscriptions Payable Outstanding at December 31, 2022

On March 9, 2022, the Company issued an aggregate 625,000 shares in satisfaction of \$55,600 of Subscriptions Payable outstanding at December 31, 2022.

UNITED ENERGY CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 17 – Subsequent Events (Continued)

Common Stock Issued as a Promissory Note Commitment

As disclosed above, the Company paid a commitment fee to a debt holder, consisting of 2,666,666 shares of the Company's common stock in connection with the issuance of a \$20,000 loan to the Company on February 15, 2023. The fair value of the shares was \$133,333, based on the closing price of the Company's common stock on the date of grant.

Common Stock Sales

On February 15, 2023, the Company sold 4,000,000 shares of its common stock to an accredited investor at \$0.02 per share in exchange for proceeds of \$80,000.

On February 6, 2023, the Company sold 2,000,000 shares of its common stock to an accredited investor at \$0.025 per share in exchange for proceeds of \$50,000.

Common Stock Issued for Services

On February 11, 2023, the Company awarded 125,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$6,498, based on the closing traded price of the common stock on the date of grant. The shares were subsequently issued April 3, 2023.

On February 1, 2023, the Company awarded 250,000 shares of common stock to an individual for services rendered. The fair value of the common stock was \$17,475, based on the closing traded price of the common stock on the date of grant.