

PETROSONIC ENERGY, INC.
Form 10-K
April 05, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

Commission File Number: 000-53881

PETROSONIC ENERGY, INC.

(Exact name of registrant as specified in its charter)

Nevada

**(State or other jurisdiction of
incorporation or organization)**

914 Westwood Boulevard, No. 545

Los Angeles, California 90024

(Address of principal executive offices)

(855) 626-3317

(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.
YES [] NO [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES [] NO [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). YES NO

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$11 million.

At April 5, 2016, there were 90,288,323 shares of the registrant's common stock outstanding.

PETROSONIC ENERGY, INC.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document and the documents incorporated by reference herein contain forward-looking statements. We have based these statements on our beliefs and assumptions, based on information currently available to us. These forward-looking statements are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations, our total market opportunity and our business plans and objectives set forth under the sections entitled “Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Forward-looking statements are not guarantees of performance. Our future results and requirements may differ materially from those described in the forward-looking statements. Many of the factors that will determine these results and requirements are beyond our control. In addition to the risks and uncertainties discussed in the sections titled “Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” investors should consider the following:

- our ability to successfully implement our business strategy,
- our limited cash and our history of losses,
- whether our technology will perform as expected,
- the acceptance of our technology by the oil industry,
- emerging competition and rapidly advancing technology in our industry that may outpace our technology,
- our ability to raise cash as and when we need it,
- the impact of competition and changes to the competitive environment on our products and services, and
- other factors detailed from time to time in our filings with the Securities and Exchange Commission.

These forward-looking statements speak only as of the date of this report. We do not intend to update or revise any forward-looking statements, except as required by law.

PART I

ITEM 1. BUSINESS

History and Incorporation

References in the discussion below to “we,” “our,” “us” or the “Company” refer to Petrosonic Energy, Inc. (previously Bearing Mineral Exploration, Inc.), a Nevada corporation and its majority-owned subsidiary, Petrosonic Albania Sha. sometimes referred to as “Petrosonic Albania” or “Petrosonic”, a body corporate under the laws of Albania. The outstanding capital stock of Petrosonic Albania is owned 60% by the Company and 40% by Alnafta, a corporate entity under the laws of Albania. Alnafta is wholly-owned by our Chief Executive Officer and director, Art Agolli.

We were incorporated in the State of Nevada on June 11, 2008 under the name “Bearing Mineral Exploration, Inc.”. We were organized for the purpose of conducting gold exploration activities on a mineral claim located in the Province of Newfoundland, Canada. We were not able to establish the existence of a commercially minable gold deposit and sought other viable business opportunities. We were a shell corporation prior to July 27, 2012 when, as described below, we acquired from Sonoro Energy Ltd. certain technology and equipment relating to enhanced separation by sonication of hydrocarbons and other materials.

On April 17, 2012 we issued 20,000,003 (post-split) shares of our common stock to Art Agolli, then our sole officer and director, in exchange for all of his right, title and interest in a letter of intent with Sonoro Energy Ltd. (“Sonoro”), a Canadian publicly traded company (TSX-V:SNV) based in Calgary, Alberta, Canada. Mr. Agolli owns 3,779,500 shares, or approximately 1.4%, of Sonoro’s issued and outstanding shares of common stock (based on the number of shares of common stock reported by Sonoro to be outstanding on September 30, 2013, which is the most recent report currently available).

On May 16, 2012, we effected an 11.25-for-1 forward stock split of our common stock and an increase in our authorized number of common shares to 843,750,000. Additionally, on May 16, 2012, we changed our name to “Petrosonic Energy, Inc.” to better reflect our new business direction.

During the year ended December 31, 2015 we impaired the full remaining value of our fixed assets which resulted in a charge of \$758,864. We determined that due to fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired

down to their estimated fair value of zero.

Sonoro – Asset Purchase

On July 27, 2012, pursuant to the terms of an Asset Purchase and Sale Agreement (the “Purchase Agreement”) we acquired certain assets from Sonoro, including technology relating to the treatment and upgrading of heavy oil by sonicated solvent de-asphalting, two sonic reactors, one located in Albania and one located in Richmond, British Columbia, Canada, and a solvent recovery system, originally located in or around Turin, Italy, which has been moved to our facility in Albania. On the same day, pursuant to the terms of a Share Purchase Agreement with Sonoro, we acquired 60,000 shares of Petrosonic Albania Sha.

Pursuant to the terms of the Purchase Agreement with Sonoro, in exchange for the assets, we: (i) paid CDN\$250,000 in June 2012, (ii) issued a convertible debenture in the principal amount of CDN\$250,000, which was repaid in January 2013 and (iii) agreed to a 10% royalty interest in our realized net revenues for a period of 10 years from the time we commence commercial operations, which occurs when we process an average of 50 barrels of feed stock per day over a period of 30 consecutive days utilizing the technology acquired.

Contemporaneous with the completion of this transaction, we entered into a license agreement with Sonoro (the “Iraq License Agreement”) for commercialization of our newly acquired technology by Sonoro in the Republic of Iraq. The license is non-exclusive, royalty-free and fully paid-up. The license lasts for the period that Sonoro uses our technology in the Republic of Iraq. The Iraq License Agreement may be terminated by either party upon 30 days written notice if the other party materially violates any of the provisions or conditions of the license and fails to discontinue or remedy such violation within the 30 day period or by either party immediately if the other party becomes insolvent or unable to pay its debts as they mature, institutes a bankruptcy or insolvency proceeding or has such a proceeding instituted against it which is not dismissed within 30 days, makes an assignment for the benefit of creditors, or commences dissolution or liquidation proceedings.

The Purchase Agreement contained a clause that required us to commence commercial operations (which occurs when we process an average of 50 barrels of feed stock per day over a period of 30 consecutive days utilizing the technology acquired) in any one jurisdiction (with the exception of Iraq) within two years of the closing date. If we are unable to comply with this requirement, then Sonoro would have the option to repurchase the technology from the Company for \$1.00 (the Repurchase Clause”). Upon extensive testing of the Sonoro assets after the closing date, we determined that additional development was required to bring the purchased assets to the specifications that we were promised by Sonoro. We corrected the failures of the purchased assets and we are not actively in discussions with Sonoro over this conflict, but retain the right to request improvements to our systems from Sonoro, when advantageous and cost-effective to do so, including the elimination of the Repurchase Clause. If we are unable to resolve our differences amicably, we will consider pursuing our legal and equitable remedies.

As noted above, during the year ended December 31, 2015 we impaired the full remaining value of our fixed assets which resulted in a charge of \$758,864. We determined that due to fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired down to their estimated fair value of zero. We continue to own these assets and will continue our attempts to employ these assets for the purpose of generating revenue from normal operations.

Quadrise – Memorandum of Understanding

On September 15, 2012, we signed a memorandum of understanding with Quadrise Canada Corporation, a private emulsion technology company for the upstream and downstream oil industry that has an exclusive license in a heavy crude and asphaltene emulsification technology (hereinafter “Quadrise”). The technology enables us to convert de-asphalted oil and asphaltenes into readily marketable emulsified fuel oil and high-end asphalt. In accordance with the agreement, Quadrise licensed to us, on an exclusive basis, the right to use the technology in Albania and for projects to be determined in other jurisdictions. The license also allows us to expand our use of the technology into other jurisdictions, subject to Quadrise’s rights. In accordance with the memorandum of understanding, Quadrise delivered to our plant in Albania a manufacturing unit capable of delivering 120 bbl/hour of feedstock. On June 10, 2013 we successfully completed our first emulsification test and processed and delivered our first synthetic fuel oil in accordance with a Master Toll Services Agreement dated April 3, 2013 that we signed with IDK Petrol Albania Sha., an Albanian energy company (“IDK Petrol”). IDK Petrol agreement did not perform the terms of the agreement and we are discussing with other clients. Our plant has the capacity to process 3,000 barrels of oil per day with this technology. Through March 1, 2014 we had emulsified approximately 200 barrels of crude oil using this process.

During the year ended December 31, 2015 we impaired the full remaining value of our inventory assets which resulted in a charge of \$75,883. We determined that due to fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired down to their estimated fair value of zero. They remain available to us for sale should we find a buyer for these assets.

Agreement with Western Research Institute

In 2014, Petrosonic signed a collaboration agreement with Western Research Institute (WRI) of Laramie, Wyoming, USA. According to the agreement, WRI will engineer, manufacture and operate a pilot plant for Petrosonic to test its technology in hydrocarbons and other areas. WRI completed the feed engineering part of the project and subject to adequate funding for the Company, and the ability to pay for this project, WRI will continue with installment of the pilot plant in 2016. The pilot plant will allow Petrosonic to fully validate its Sonoprocess technology and market it to industrial partners.

As noted above, during the year ended December 31, 2015 we impaired the full remaining value of our fixed assets which resulted in an charge of \$758,864. We determined that due to fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired down to their estimated fair value of zero. We continue to own these assets and will continue our attempts to employ these assets for the purpose of generating revenue from normal operations.

Summary of Operations

For the year ended December 31, 2015, we earned no revenue and have accumulated losses since inception. Though we are ready to begin operations upon the success of our pilot plant, we expect to generate operating losses during some or all of our planned early stages, which raises substantial doubt about our ability to continue as a going concern. In view of these matters, our ability to continue as a going concern is dependent upon our ability to meet our financial requirements and to raise additional capital, which may likely involve the further issuance of capital stock, and the success of our future operations.

Sonication Operation Plans and Business Focus

During 2015 we concentrated on developing an intellectual property strategy for our technology and continued to make progress in consolidation and growing our patent assets and portfolio. In addition, we have moved our sonicator from Albania to North America in order to build our pilot commercial enhanced separation plant that will separate various hydrocarbons and other materials. We plan to allocate necessary funding to complete such plant in 2016. This would enable the Company to commercialize the technology in several areas.

As noted above, during the year ended December 31, 2015 we impaired the full remaining value of our fixed assets which resulted in a charge of \$758,864. We determined that due to the fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired down to their estimated fair value of zero. We continue to own these assets and will continue our attempts to employ these assets for the purpose of generating revenue from normal operations.

If we are able to successfully establish our first commercial facility, we believe oil producers, gatherers and processors may then integrate the Petrosonic system at their cost into their treatment facilities. Petrosonic would license our sonication technology and retain a royalty fee under this type of development, or we may form joint ventures to install and manage various types of plants jointly. Petrosonic may also choose to develop its own stand-alone facilities.

We believe there are further opportunities to use this technology in several other applications. We have filed additional patent applications covering these technologies.

Vision and Strategy

During 2016 we plan to work toward completion of the following milestones:

Allocate funding from government grants and/or investors to complete the enhanced separation pilot plant in North America;

In addition, we would like to form joint ventures in several areas of application of our technology to establish commercial plants;

Our main focus is North America;

Develop further our IP portfolio; and

Key Success Factors

Our success will be dependent upon:

- our ability to attract and develop numerous projects once our pilot plant is complete;
- access to an ample producer feedstock supply and our ability to find equitable profit distribution;
- our ability to minimize technical risk through avoidance of scale up issues; and
- our ability to find strategic partners who can help finance our operations and/or gain quick access to markets.

Priorities

Our immediate priorities are to:

- Strengthen our operations and management as we move forward
- Allocate the necessary funding to build the pilot plant
- Form joint ventures or strategic partnerships to commercialize our technologies; and
- Generate revenue and become cash flow positive within 2016.

The Industry

Petrosonic is applying its advanced separation technology to the liquid hydrocarbon industry, specifically focusing on the value proposition that we feel we can deliver to lower costs and improve environmental footprints in a number of areas where separation is needed.

Petrosonic's Technology

Sonoprocess

We believe Petrosonic's technology advantage is based upon the use of our Petrosonic reactor technology and the unique cavitation and enhanced mass transfer effects that it provides. Petrosonic has developed a unique competency in the design of enhanced mass transfer energy processes and the proprietary applications that result from this.

In recent years the use of cavitation technologies and ultrasound has been researched extensively for oil processing – usually in the context of desulfurization or “cold cracking”. Our own research does not support this and we make no claims that it can create a unique upgrading process. The chemistries used in the Petrosonic process are established and our advantage is that we make these more effective by reducing the time of separation and the energy input required to de-asphalt the crude oil from asphaltenes and heavy metals.

Our intent is to expand the uses of our Sonoprocess™ technology by adding complementary proprietary process technologies, such as the emulsion process we have licensed from Quadrise and by using even more conventional and cheaper solvents, such as propane.

Petrosonic reactors are based on low-frequency and high-amplitude:

an electromagnetic drive puts a massive steel bar into resonance and this allows efficient transfer of energy to the reaction chambers;

there are no moving parts and so Petrosonic reactors have a high reliability and operational availability;

the reaction chambers are attached at the mid-node points one half wavelength from the drive system, enabling the reactors to apply Petrosonic energy to physical, chemical and biological processes; and

Petrosonic reactors are thus able to achieve more sustainable processes – better reactivity, less reagents, less energy, greater effectiveness and more product for overall economic advantage.

Disadvantages of Petrosonic Process/Technology

There are few inherent disadvantages to the Petrosonic process. The technology has been proven on a batch basis but long-term 24 hour operations have not yet been attempted. In addition, one sonicator at current dimensions can process up to 500 barrels of heavy oil per day, thus requiring additional sonicators to increase the processing capacity. While the processing capacity of one sonicator can be an advantage for small and medium size operations it may be considered as a disadvantage for larger operations.

In addition, there are technical and logistical risks associated with the Sonoprocess™ rollout in Albania. These risks can be attributed to two general categories of risk: operational and logistical, which are influenced by the market risk factors which are presented separately.

The design of the sonicator chambers and the solvent recovery equipment was based on an estimation of the required solvent and any changes and variations in the solvent will impact the overall ability to commission the project. Our process relies on the availability of certain solvents such as light naphtha, pentane and LPGs. Light naphtha and pentane are liquids and LPGs are liquefied gases and as such require different pressures and heat to be mixed with heavy crude and recovered. In case the liquid solvents are not available for any reason in the jurisdiction in which we are operating, changing from one solvent to the other will require some modifications to our equipment and process. These modifications may cause some interruption or delays of the processing. We have engaged Gas Liquids Engineering of Calgary, Canada to provide solutions for recovering all solvents, as well as the costs associated with modifications of the chambers of the sonicator to use propane/LPGs and the solvent recovery systems to recycle the propane/LPGs. The engineering, originally scheduled to be completed at the end of July 2013, and was completed during the first quarter of 2014.

The ability to procure suitable safe installation for commissioning the equipment is critical given the limited number of suitable contractors available in Albania. The ability to source and deliver piping or other equipment could cause commissioning or optimization delays. The equipment to be assembled into a continuous heavy oil upgrading process has not been operated in the proposed configuration elsewhere. The process is expected to operate as designed but unforeseen assembly and commissioning situations are normal and expected. Remaining equipment to be ordered is minor in scope but any delays or problems in sources of supply from European sources could lead to minor delays.

Marketing and Sales Strategy

Petrosonic's business model is to provide integrated separation systems to midstream and downstream companies throughout the liquid hydrocarbon industries. Given the relative ease of integration and transportation, the process is

designed to be easily applicable to market constituents. The immediate marketing and sales strategy is to sell our processing services on toll or joint venture basis to customers directly or process for third parties at our stand alone facilities on a tolling basis. As a result, business models can take on various forms.

Customers

Our target customers are industrial groups that process or consume fuel oil and refineries that refine heavy oil, and others. In addition, our potential customers consist of heavy oil trading companies and, assuming the development of our business to sell asphaltenes, asphalt producers and consumers of asphalt products such as construction companies that require asphaltenes as raw material for production of asphalt.

Employees

We have currently 1 full time employee. From time to time we also retain the services of independent consultants. The consultants provide general business services to us, such as assistance with regulatory matters and engineering services, as well as providing expertise in areas including legal services, investor relations services and business development services. We currently use the services of 4 consultants.

Environmental Laws and Regulations

Our facility for emulsifying and upgrading heavy oil is subject to the Law of Environmental Protection, the primary environmental law of Albania, the location of our processing facility. In accordance with this law, all companies that store and process hydrocarbons must apply for and receive an environmental permit issued by the Ministry of the Environment and the local government where the plant is located, in this case, the Fier Environmental Regional Office.

Procurement of Equipment

Petrosonic will rely on a third party contractor to manufacture the sonicators and other related equipment according to our design and specifications. We have received quotes from the third party manufacturer and expect that we will be able to obtain all the necessary equipment to grow our processing capacity in the future. The manufacturer has the production and financial capability and capacity to fulfill our orders in the future. In addition, we have access to several local and international fabricators and engineering firms to carry out the necessary assembly of the equipment and increase capacity of our processing plant in the future.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below together with all of the other information included in this Form 10-K before making an investment decision with regard to our securities. The statements contained in or incorporated into this Form 10-K that are not statements of historic or present facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following events described in these risk factors actually occurs, our business, financial condition or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to our Business and the Ownership of our Securities

We have incurred losses in prior periods and may incur losses in the future.

Since our inception on May 24, 2010 (date of inception of our Predecessor) through December 31, 2015, we have sustained recurring net losses resulting in an accumulated deficit \$6,337,782 as of December 31, 2015. We cannot be assured that we can achieve or sustain profitability on a quarterly or annual basis in the future. Our operations are subject to the risks and uncertainties inherent in the establishment of a business enterprise including, but not limited to, lack of operating capital, lack of skilled personnel and lack of demand for our process. There can be no assurance that we can execute our business plan, which involves implementing our process of converting heavy sour oil and bitumen to a value-added synthetic crude oil. Even if we are successful in implementing our business plan, there is no assurance that our future operations will be profitable. We may not achieve our business objectives and the failure to achieve such goals would have an adverse impact on us.

Our future is dependent upon our ability to obtain financing. If we do not obtain financing as and when we need it, we may have to cease our activities and investors could lose their entire investment.

There is no assurance that we will operate profitably or generate positive cash flow in the future. Until our process is proven and we begin generating enough revenue to sustain our operations, we expect to require additional financing. We do not have any committed current or future sources of financing.

Since July 27, 2012, the date we acquired the Sonoprocess™ technology from Sonoro Energy Ltd., we have raised \$3.1 million through the sale of our common stock, which we have used to sustain our business operations, pay the fees

and expenses of operating as a public company and complete the construction of the facility in Albania. In the future, we may not be able to obtain financing on commercially reasonable terms or on terms that are acceptable to us when the financing is required. Our future is dependent upon our ability to obtain financing. If we do not obtain financing, our business could fail and investors could lose their entire investment.

On April 3, 2013 the Alberta Securities Commission issued a cease trade order against us because we failed to file an annual information form (“AIF”) for the year ended December 31, 2013. We filed the AIF on May 3, 2013. Thereafter, we made an application to the Alberta Securities Commission to revoke the cease trade order. The Alberta Securities Commission advised that they would not be in a position to revoke the cease trade order on the basis that we are the subject of an ongoing investigation by the Enforcement Department of the Alberta Securities Commission. The investigation concerns trading and promotional activity related to our securities. The cease trade order requires that trading or purchasing cease in respect of any of our securities until the order has been revoked or varied. We are cooperating with the Alberta Securities Commission in the investigation. If the cease trade order is not revoked by the time we need to raise additional capital, we may be unable to engage in sales of our securities to raise money.

Because we may never earn revenues from our operations, our business may fail and investors may lose all of their investment in our Company.

The Company was formed on June 11, 2008. We have no history of revenues from operations. We have yet to generate positive earnings and there can be no assurance that we will ever operate profitably. Our company has a limited operating history. If our business plan is not successful and we are not able to operate profitably, then our stock may become worthless and investors may lose all of their investment in our company.

We have reported a net loss of \$1,481,319, for the year ended December 31, 2015. If we are unable to generate significant revenues from our processing facility in the future, we will not be able to earn profits or continue operations. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and we can provide no assurance that we will generate any revenues or ever achieve profitability. If we are unsuccessful in addressing these risks, our business will fail and investors may lose all of their investment in our company.

Our auditors have indicated that our recurring losses raise substantial doubt as to our ability to continue as a going concern.

Our audited financial statements for the year ended December 31, 2015 were prepared on a going concern basis. However, we have suffered recurring losses since inception and our auditors have indicated that there is substantial doubt as to our ability to continue as a going concern. Until we earn revenues that are adequate to support our operations, which may never happen, our ability to maintain our status as an operating company is entirely dependent upon obtaining adequate cash to finance our overhead and implement our business plan. In order to meet our operating expenses, we have sold debt and equity securities and we expect to continue selling our securities to raise money in the future. There is considerable uncertainty as to whether we will be able to obtain financing on terms acceptable to us. There is no assurance that we will be able to implement our business plan or continue our operations.

We may not have sufficient crude oil to be able to run our Albania facility at full capacity.

Our Albanian facility will process crude oil from the local regions around the facility. To the extent sufficient local crude oil cannot be contracted to process and we are unable to contract sufficient crude oil from non-local sources to supply the Albanian facility, we may not have sufficient crude oil to run the Albanian facility at full capacity, which could have a material adverse impact on our business, financial condition, and results of operations.

Management of our Company is within the control of the board of directors and the officers. You should not purchase our common stock unless you are willing to entrust management of our Company to these individuals.

All decisions with respect to the management of the Company will be made by our board of directors and our officers. Art Agolli, our Chief Executive Officer and a director, beneficially owns approximately 25.28% of our common stock, as calculated in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934. Therefore, management, and in particular Mr. Agolli, will have significant influence in electing a majority of the board of directors who shall, in turn, have the power to appoint the officers of the Company and to determine, in accordance with their fiduciary duties and the business judgment rule, the direction, objectives and policies of the Company including, without limitation, the purchase of businesses or assets; the sale of all or a substantial portion of the assets of the Company; the merger or consolidation of the Company with another corporation; raising additional capital through financing and/or equity sources; the retention of cash reserves for future product development; expansion of our business and/or acquisitions; the filing of registration statements with the Securities and Exchange Commission for offerings of our capital stock; and transactions which may cause or prevent a change in control of the Company or its winding up and dissolution. You should not purchase our common stock unless you are willing to entrust management of our Company to these individuals.

Because we are a small, unproven company, stockholders may find it difficult to sell their common stock in the public markets.

Our common shares are currently traded on the OTC Pink under the symbol "PERSON". The number of persons interested in purchasing our common shares at or near bid prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is still relatively unknown to stock analysts, stock brokers, institutional investors, and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more viable. Additionally, many brokerage firms may not be willing to effect transactions in the securities. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that an active public trading market for our common stock will develop or be sustained, or that trading levels will be sustained.

Stockholders should be aware that, according to SEC Release No. 34-29093, the market for "penny stocks" has suffered in recent years from patterns of fraud and abuse. Such patterns include (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the future volatility of our share price.

Furthermore, on April 3, 2013 the Alberta Securities Commission issued a cease trade order which prohibits the trading or purchasing of our securities until the order has been revoked or varied. For a more detailed discussion of the cease trade order, please see the risk factor titled "Our future is dependent upon our ability to obtain financing. If we do not obtain such financing, we may have to cease our activities and investors could lose their entire investment."

If we issue additional shares in the future, it will result in the dilution of our existing stockholders.

Our Articles of Incorporation authorize the issuance of up to 843,750,000 shares of common stock with a par value of \$0.001 per share. Our board of directors may choose to issue some or all of such shares for many different reasons, including to acquire one or more companies or properties and to fund our overhead and general operating requirements. We have agreed to pay for the services of a number of consultants with shares of our common stock and we may make similar arrangements with other consultants in the future. The issuance of any such shares may reduce the book value per share and may contribute to a reduction in the market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will reduce the proportionate ownership and voting power of all current stockholders. Further, such issuance may result in a change of control of our corporation.

We may not be fully indemnified against financial losses in all circumstances where damage to or loss of property, personal injury, death or environmental harm occur.

As is customary in our industry, our contracts will typically provide that our customers indemnify us for claims arising from the injury or death of their employees, the loss or damage of their equipment, damage to the reservoir and pollution emanating from the customer's equipment or from the reservoir (including uncontained oil flow from a reservoir). Conversely, we will typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment, or pollution emanating from our equipment. Our contracts will typically provide that our customer will indemnify us for claims arising from catastrophic events, such as a well blowout, fire or explosion.

Our indemnification arrangements may not protect us in every case. For example, from time to time we may enter into contracts with less favorable indemnities or perform work without a contract that protects us; our indemnity arrangements may be held unenforceable in some courts and jurisdictions; or we may be subject to other claims brought by third parties or government agencies. Furthermore, the parties from which we seek indemnity may not be solvent, may become bankrupt, may lack resources or insurance to honor their indemnities, or may not otherwise be able to satisfy their indemnity obligations to us. The lack of enforceable indemnification could expose us to significant potential losses.

Further, our assets generally are not insured against loss from political violence such as war, terrorism or civil commotion. If any of our assets are damaged or destroyed as a result of an uninsured cause, we could recognize a loss of those assets.

Our operations are subject to environmental and other laws and regulations that may expose us to significant liabilities and could reduce our business opportunities and revenues.

We are subject to various environmental laws and regulations in the countries in which we operate. The government of Albania requires us to obtain an environmental permit for our facility and a fire safety permit. We have received the approval of environmental permit in March 2016 from the Ministry of Environment. In late 2015 the government issued a new rule which requires all refineries and processing plants that process crude to apply for a processing permit. We prepared and submitted all the necessary paperwork and we expect the processing permit to be issued during the second quarter of 2016. Since our operations do not require any use of water, extensive energy or generate any emissions we do not anticipate that we will be subject to the more complicated and lengthy permit requirements typical for refineries or upgraders. If we fail to receive the processing permit to which we are subject, we may incur significant liabilities and our business opportunities could be reduced.

We are subject to significant foreign exchange and currency risks that could adversely affect our operations and our ability to reinvest earnings from operations, as well as mitigate our foreign exchange risk through hedging transactions, may be limited.

Since we currently conduct a significant portion our operations outside the United States, our business is subject to foreign currency risks, including currency exchange rates fluctuations and difficulties in converting local currencies into U.S. dollars. The exchange rates between the Albanian Lek, the Canadian dollar, the Euro and the U.S. dollar and other foreign currencies is affected by, among other things, changes in local political and economic conditions. Such currency fluctuations may materially affect the Company's financial position and results of operations and a material change in currency rates in our markets could affect our future results as well as affect the carrying values of our assets.

We generally attempt to denominate our contracts in U.S. dollars or in the currencies of our costs. However, we may enter into contracts that subject us to currency risk exposure, primarily when our contract revenue is denominated in a currency different than the contract costs. We anticipate that a significant portion of our consolidated revenue and consolidated operating expenses will be in foreign currencies. As a result, we will be subject to risks resulting from changes in foreign exchange rates and limitations on our ability to reinvest earnings from operations in one country to fund the financing requirements of our operations in other countries.

Customer credit risks could result in losses.

The concentration of our future customers in the energy industry may impact our overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. Those countries that rely heavily upon income from hydrocarbon exports would be hit particularly hard by a drop in oil prices. Further, laws in some jurisdictions in which we may operate could make collection difficult or time consuming. We intend to perform ongoing credit evaluations of our customers and generally do not plan to require collateral in support of our trade receivables. While we may maintain reserves for potential credit losses, we cannot assure such reserves will be sufficient to meet write-offs of uncollectible receivables or that our losses from such receivables will be consistent with our expectations.

Global political, economic and market conditions could affect projected results.

Our operating results are based on our current assumptions about oil supply and demand, oil prices, rig count and other market trends. Our assumptions on these matters are in turn based on currently available information, which is subject to change. The oil industry is extremely volatile and subject to change based on political and economic factors outside our control. A weakened global economic climate generally results in lower demand and lower prices for oil, which reduces drilling, processing and production activity, which in turn results in lower revenues and income for us. Worldwide drilling activity and global demand for oil may also be affected by changes in governmental policies and sovereign debt, laws and regulations related to environmental or energy security matters, including those addressing alternative energy sources and the risks of global climate change. Worldwide economic conditions, and the related demand for oil, may in future periods be significantly weaker than we have assumed.

We may be unable to recognize expected revenue from future contracts.

Our potential customers, some of whom may be national oil companies, could have significant bargaining leverage over us and may elect to cancel or revoke contracts, not renew contracts, modify the scope of contracts or delay contracts, in some cases preventing us from realizing expected revenue and/or profit.

Increases in the prices and availability of our raw materials could affect our results of operations.

We expect to use significant amounts of raw materials (including steel and other metals, chemicals, plastics, polymers and energy inputs) for producing our products and maintaining our facilities and some of our fixed assets. The price of

these raw materials has a significant impact on our cost of producing products for sale or constructing fixed assets used in our business. There can be no assurance that the prices of raw materials will remain within a manageable range and will be readily available. If we are unable to obtain necessary raw materials or if we are unable to minimize the impact of increased raw material costs or to realize the benefit of cost decreases in a timely fashion through our supply chain initiatives or pricing, our margins and results of operations could be adversely affected.

Our long-term growth depends upon technological innovation and commercialization.

Our ability to deliver our long-term growth strategy depends in part on the commercialization of new technology. A central aspect of our growth strategy is to improve our products and services through innovation, to obtain technologically advanced products through internal research and development and/or acquisitions, to protect proprietary technology from unauthorized use and to expand the markets for new technology by leveraging our infrastructure. Our success will depend on our ability to commercialize the technology that we have acquired and demonstrate the enhanced value our technology brings to our customers' operations. Our major technological advances include, but are not limited to, those related to the design of enhanced mass transfer energy processes and reactors. We cannot be assured of the successful commercialization of, and above-average growth from, our new products and services, as well as legal protection of our intellectual property rights. Any failure in the commercialization of our technology could adversely affect our business and results of operations.

If we are unable to enforce our intellectual property rights or if our intellectual property rights become obsolete, our competitive position could be adversely impacted.

We utilize a variety of intellectual property rights in our services. We view our portfolio of process and design technologies as one of our competitive strengths and we use it as part of our efforts to differentiate our service offerings. We may not be able to successfully preserve these intellectual property rights in the future and these rights could be invalidated, circumvented, challenged or infringed upon. In addition, the laws of some foreign countries in which our services may be sold may not provide adequate protection of our intellectual property rights. If we are unable to protect and maintain our intellectual property rights, or if there are any successful intellectual property challenges or infringement proceedings against us, our ability to differentiate our service offerings could diminish. In addition, if our intellectual property rights or work processes become obsolete, we may not be able to differentiate our service offerings and some of our competitors may be able to offer more attractive services to our customers. As a result, our business and financial performance could be materially and adversely affected.

International and political events may adversely affect our operations.

A significant portion of our revenue will be derived from foreign operations, which exposes us to risks inherent in doing business in each of the countries where we transact business. The occurrence of any of the risks described below could have a material adverse effect on our business operations and financial performance. With respect to any particular country, these risks may include:

expropriation and nationalization of our assets in that country;

political and economic instability;

civil unrest, acts of terrorism, force majeure, war, or other armed conflict;

currency fluctuations, devaluations, and conversion restrictions;

confiscatory taxation or other adverse tax policies;

governmental activities that limit or disrupt markets, restrict payments, or limit the movement of funds;

governmental activities that may result in the deprivation of contract rights; and

governmental activities that may result in the inability to obtain or retain licenses required for operation.

Due to the unsettled political conditions in many oil-producing countries, our financial performance may be subject to the adverse consequences of war, the effects of terrorism, civil unrest, strikes, currency controls, and governmental actions. We expect that some of our potential customers' operations will be conducted in areas that have significant amounts of political risk. In addition, military action or continued unrest in the Middle East could impact the supply and price of oil, disrupt our customer's operations in the region and elsewhere, and increase our costs related to security worldwide.

Economic and political developments in Albania may adversely affect our business.

A significant portion of our operations and assets are currently located in Albania. As a result, our financial condition, results of operations and business may be affected by and are subject to the general condition of the Albanian economy, the devaluation of the Albania Lek as compared to the U.S. Dollar, Albanian inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Albania, including changes in the laws and policies that govern foreign investment, as well as changes in United States laws and regulations relating to foreign trade and investment, over which we have no control. There can be no assurance as

to the future effect of any such changes on our results of operations, financial condition, or cash flows.

The dangers inherent in our operations could cause disruptions and could expose us to potentially significant losses, costs, or liabilities. Any significant interruptions in the operations of any of our facilities could materially and adversely affect our business, financial condition, and results of operations.

Our operations are subject to significant hazards and risks inherent in refining operations and in transporting and storing crude oil. These hazards and risks include, but are not limited to, the following:

natural disasters;

weather-related disruptions;

fires;

explosions;

pipeline ruptures and spills;

third-party interference;

disruption of natural gas deliveries;

disruptions of electricity deliveries; and

mechanical failure of equipment at our refineries or third-party facilities.

Any of the foregoing could result in production and distribution difficulties and disruptions, environmental pollution, personal injury or wrongful death claims, and other damage to our properties and the properties of others. There is also risk of mechanical failure and equipment shutdowns both in general and following unforeseen events.

Our activities will initially be conducted at our facility in Albania. This facility constitutes a significant portion of our operating assets. Because of the significance to us of this operation, the occurrence of any of the events described above could significantly disrupt our processing of crude oil, and any sustained disruption could have a material adverse effect on our business, financial condition, and results of operations.

We may incur significant costs to comply with environmental and health and safety laws and regulations.

Our operations and properties are subject to national and local Albanian environmental, health, and safety regulations governing, among other things, the generation, storage, handling, use, and transportation of petroleum and hazardous substances, the emission and discharge of materials into the environment, waste management, and the monitoring, reporting, and control of greenhouse gas emissions. If we fail to comply with these regulations, we may be subject to administrative, civil, and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other entities and individuals. A failure to comply, and any related proceedings, including lawsuits, could result in significant costs and liabilities, penalties, judgments against us, or governmental or court orders that could alter, limit, or stop our operations.

In addition, new environmental laws and regulations, including new regulations relating to alternative energy sources, new regulations relating to fuel quality, and the risk of global climate change regulation, as well as new interpretations of existing laws and regulations, increased governmental enforcement, or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. We are not able to predict the impact of new or changed laws or regulations or changes in the ways that such laws or regulations are administered, interpreted, or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that the costs associated with meeting any or all of these requirements are substantial and not adequately provided for, there could be a material adverse effect on our business, financial condition, and results of operations.

We could incur substantial costs or disruptions in our business if we cannot obtain or maintain necessary permits and authorizations.

Our operations require permits and authorizations under various laws and regulations of Albania, including environmental and health and safety laws and regulations. These authorizations and permits are subject to revocation, renewal, or modification and can require operational changes, which may involve significant costs, to limit impacts or potential impacts on the environment and/or health and safety. A violation of these authorization or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, permit revocations, injunctions and/or a shutdown of our facility. In addition, major modifications of our operations could require modifications to our existing permits which could have a material adverse effect on our business, financial condition, or results of operations.

We will be required to incur significant costs and require significant management resources to evaluate our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act, and any failure to comply or any adverse result from such evaluation may have an adverse effect on our stock price.

As a smaller reporting company as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, we are required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Section 404 requires us to include an internal control report in our Annual Report on Form 10-K. This report must include management's assessment of the effectiveness of our internal control over financial reporting as of the end of the fiscal year. This report must also include disclosure of any material weaknesses in internal control over financial reporting that we have identified. Failure to comply, or any adverse conclusions from such evaluation, could result in a loss of investor confidence in our financial reports and have an adverse effect on the trading price of our equity securities. Management believes that its internal controls and procedures are currently not effective to detect the inappropriate application of U.S. GAAP rules. Management has disclosed the material weaknesses described below:

We do not have an Audit Committee. While not being legally obligated to have an audit committee, it is management's view that such a committee, including a financial expert member, is an important entity level control over our financial statements. To date we have not established an audit committee.

We do not have sufficient documentation of financial statement preparation and review procedures. We employ policies and procedures in reconciliation of the financial statements and the financial information on which the financial statements are prepared, however, the controls and policies we employ are not sufficiently documented.

We did not maintain proper segregation of duties for the preparation of our financial statements. The majority of the preparation of our financial statements is carried out by one person, who is an external consultant.

We lack sufficient information technology controls and procedures. As of March 31, 2013, we lacked a proper data back-up procedure, and while backup did take place in actuality, we believe that it was not regulated by methodical and consistent activities and monitoring.

We lack a formal review process that includes multiple levels of review, resulting in several audit adjustments.

Achieving compliance with Section 404 may require us to incur substantial costs and expend substantial time and management resources. We cannot assure you that we will be able to fully comply with Section 404 or that we and our independent registered public accounting firm would be able to conclude that our internal control over financial reporting is effective at fiscal year end. As a result, investors could lose confidence in our reported financial information, which could have an adverse effect on the trading price of our securities, as well as subject us to civil or criminal investigations and penalties.

All of our assets, and our Chief Executive Officer, who is also a director, are located outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or this individual.

All of our assets are located outside the United States. In addition, our Chief Executive Officer, who is also a director, is a national and resident of a country other than the United States, and all or a substantial portion of his assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or this individual, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under United States federal and state securities laws against us or this individual.

Our business is dependent on a key executive and the loss of this key executive could adversely affect our business, future operations and financial condition.

We are dependent on the services of our Chief Executive Officer, Art Agolli. Mr. Agolli has many years of experience and an extensive background in the oil industry in general. We may not be able to replace that experience and knowledge with other individuals. We do not have a "Key-Man" life insurance policy on Mr. Agolli. The loss of our key executive or our inability to attract and retain additional highly skilled employees may adversely affect our business, future operations, and financial condition.

The elimination of monetary liability against our directors, officers and employees under Nevada law and the existence of indemnification rights to our directors, officers and employees may result in substantial expenditures by our company and may discourage lawsuits against our directors, officers and employees.

Our Articles of Incorporation contain a provision permitting us to eliminate the personal liability of our directors to our company and shareholders for damages for breach of fiduciary duty as a director or officer to the extent provided by Nevada law. The foregoing indemnification obligations could result in the Company incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and resultant costs may also discourage our company from bringing a lawsuit against directors and officers for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our shareholders against our directors and officers even though such actions, if successful, might otherwise benefit our company and shareholders.

Our stock is categorized as a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations which may limit a shareholder's ability to buy and sell our stock.

Our stock is categorized as a penny stock. The SEC has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than US\$ 5.00 per share or an exercise price of less than US\$ 5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

FINRA sales practice requirements may also limit a shareholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

To date, we have not paid any cash dividends and no cash dividends will be paid in the foreseeable future.

We do not anticipate paying cash dividends on our common stock in the foreseeable future and we may not have sufficient funds legally available to pay dividends. Even if the funds are legally available for distribution, we may nevertheless decide not to pay any dividends. We presently intend to retain all earnings for our operations.

ITEM 2. PROPERTIES

We own our processing facility, which is located in Fier, Albania. Albania's heavy oil upstream and downstream industries are located in Fier and the facility is only a few miles away from the heavy oil producing fields. It is also located 35 kilometers away from Albania's only deep-sea port and export facility, the PIR Vlora terminal. The facility will be used for both emulsifying heavy oil and de-asphalting heavy oil and bitumen by sonication. The facility is capable of emulsifying 3,000 barrels of oil per day and we expect the facility will be able to sonicate 1,000 barrels of oil per day. Our facility is both suitable and adequate for our current operations. During the year ended December 31, 2015 we impaired the full remaining value of our long-lived assets including this property which resulted in a charge of \$758,864. We determined that due to fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired down to their estimated fair value of zero.

As one of the services it provides to us, StoryCorp Consulting, Inc. keeps our corporate books and records, answers telephone calls and processes our mail at its offices at 914 Westwood Boulevard, Los Angeles, California. We consider this to be our corporate headquarters.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business, we may become involved in various legal proceedings. Currently, we know of no pending or threatened legal proceeding to which we are or will be a party which, if successful, might result in a material adverse change in our business, properties or financial condition.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

Our common stock is presently quoted on the OTC Pink marketplace under the name "Petrosonic Energy, Inc." and under the symbol "PSON". Our common stock par value is \$0.001 per share.

There is no established trading market for shares of our common stock. We cannot provide assurance that any established trading market for our common stock will develop or be maintained.

The following table sets forth, for the fiscal quarters indicated, the high and low bid price for our common stock, as reported on the OTC Pink. The quotations below reflect inter-dealer prices without retail mark-up, markdown or commissions and may not represent actual transactions.

Year Ended December 31, 2015	High Bid	Low Bid
Fourth Quarter 10-1-15 to 12-31-15	\$0.035	\$0.013
Third Quarter 7-1-15 to 9-30-15	\$0.040	\$0.026
Second Quarter 4-1-15 to 6-30-15	\$0.045	\$0.026
First Quarter 1-1-15 to 3-31-15	\$0.120	\$0.035
Year Ended December 31, 2014	High Bid	Low Bid
Fourth Quarter 10-1-14 to 12-31-14	\$0.215	\$0.058
Third Quarter 7-1-14 to 9-30-14	\$0.220	\$0.110
Second Quarter 4-1-14 to 6-30-14	\$0.200	\$0.107
First Quarter 1-1-14 to 3-31-14	\$0.575	\$0.140

The last sale price of our common stock on April 5, 2016 was \$0.01.

Stockholders

At April 5, 2016 there were approximately 64 record holders of our common stock.

Dividends

We have never paid cash dividends on our common stock. We intend to keep future earnings, if any, to finance the expansion of our business, and we do not anticipate that any cash dividends will be paid in the foreseeable future. Our future payment of dividends will depend on our earnings, capital requirements, expansion plans, financial condition and other relevant factors that our Board of Directors may deem relevant. Our accumulated deficit, which at December 31, 2015 was \$6,337,782, currently limits our ability to pay dividends.

Recent Sale of Unregistered Securities

We did not sell any equity securities during the quarter ended December 31, 2015 that were not previously disclosed in a quarterly report on Form 10-Q or in a current report on Form 8-K.

ITEM 6. SELECTED FINANCIAL DATA

Pursuant to Item 301(c) of Regulation S-K, the Company, as a smaller reporting company, is not required to provide the information required by this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our results of operations and financial condition should be read in conjunction with our financial statements and the notes to those financial statements that are included elsewhere in this Form 10-K. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under the Risk Factors, Cautionary Notice Regarding Forward-Looking Statements and Business sections in this Form 10-K. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the audited financial statements and accompanying notes of Petrosonic Energy, Inc. for the years ended December 31, 2015 and 2014.

OVERVIEW

We focused on the sonic separation, treatment and upgrading of heavy oil, and on the manufacture of synthetic fuel oil through emulsification of heavy crude oil and asphaltenes. We are in the process of bringing online our first synthetic fuel oil manufacturing facility, which is located in Albania, and which has a manufacturing capacity of 3,000 bbls/day. We plan to generate revenue by manufacturing synthetic fuel oil and by integrating our Sonoprocess™ technology for decontamination of hydrocarbons, waste oil, water and the partial upgrading of heavy oil into oil producer treatment facilities as well as by developing our own stand-alone separation facilities. We have not generated any revenue since inception. To date, we have funded our operations through the issuance of convertible debentures and sales of shares of our common stock.

Recent Events

During the year ended December 31, 2015 we impaired the full remaining value of our fixed assets which resulted in a charge of \$758,864. We determined that due to fact that these assets have yet to provide on-going revenue to the Company and based upon the projection that their carrying value would not be recoverable; the assets were impaired down to their estimated fair value of zero. We continue to own these assets and will continue our attempts to employ these assets for the purpose of generating revenue from normal operations.

In the fourth quarter of 2015, we began assembling the necessary vendors and team to conduct a pilot plant test in the US on hydrocarbon separation, in a new market. We are continuing to pursue this, as well as new patents for this area of the industry.

During the first quarter of 2015, we worked on completing the regulatory permits required for our synthetic fuel facility as result of new legislation introduced in Albania by the Ministry of Energy related to the manufacture of synthetic fuel oil in the country. We expected to receive the processing and environmental permit and other related approvals necessary for us to begin processing and selling of synthetic fuel oil by the end of 2015 but at this time, we are still unable to do so.

During the year ended December 31, 2015 we impaired the full remaining value of our inventory assets which resulted in a charge of \$75,883. We determined that due to fact that these assets have yet to provide on-going revenue to the Company, it was most prudent to account for their value to zero. They remain available to us for sale should we find a buyer for these assets.

On June 10, 2014 we announced the successful completion of an independent engineering feasibility analysis and validation of the Sonoprocess sonic deasphalting technology with Gas Liquids Engineering of Calgary. During first quarter of 2015 we further reviewed that validation study through another independent consultant and are ready now to move ahead with the building of the pilot plant at WRI's site in Laramie, Wyoming, USA.

On July 24, 2014 we announced that we developed a new solution to our sonic de-asphalting process. This solution will enable the process to use propane (sometimes referred to as liquid petroleum gas or LPG) to de-asphalt heavy oils. Propane is a common and less expensive solvent. The new solution is called Sono Hi-P™ and was developed in collaboration with Gas Liquids Engineering of Calgary.

On May 21, 2014, we entered into a Non-Exclusive Sales, Distribution, Manufacturing and License Agreement (the "License Agreement") and a Consulting Agreement (the "Consulting Agreement") with Kuai Le GU, LLC ("KLG").

Pursuant to the License Agreement, the Company granted to KLG a non-exclusive license to research, develop, practice, perform, make, use, manufacture, assemble, modify, sell, offer for sale, distribute, import and otherwise exploit in the People's Republic of China (which includes Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan), the Republic of Indonesia and the Federation of Malaysia (collectively, the "Territory"), the Company's heavy oil processing and treatment technologies (the "Technology"). The license includes a right to sublicense.

In consideration for granting the license KLG will pay a perpetual license royalty to the Company as follows: (i) 5% of the per barrel spot price of West Texas Intermediate (averaged over the quarter) for each barrel of oil produced post-processing using the Technology in the Territory; and (ii) 5% of the per barrel spot price of West Texas Intermediate (averaged over the quarter) for each barrel of oil produced post-processing using the Technology in the Territory by any sublicense. Royalties must be paid on the 30th day following the close of each calendar quarter. Any royalty payment not paid when due will accrue interest, to the extent permitted by law, at two percentage points above the prime rate of interest as reported in The Wall Street Journal on the date payment is due, with interest calculated based on the number of days the payment is delinquent.

The License Agreement may be terminated by KLG on 120 days notice to the Company. The License Agreement may also be terminated (i) upon written notice by either party if the other party is in breach of any material obligation of the License Agreement and has not cured the breach within 90 days after written notice requesting cure of the breach or (ii) if either party files or institutes bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of a party's assets for the benefit of creditors, provided, however, that in the case of any involuntary bankruptcy proceeding the right to terminate will only become effective if the party subject thereto consents to involuntary bankruptcy or the proceeding is not dismissed within 90 days after the filing thereof.

Pursuant to the Consulting Agreement, KLG has agreed to assist the Company in expanding and managing its existing intellectual property, including preparing any patent applications and provisional patent applications and, at KLG's discretion, soliciting and obtaining new inventions and related patent rights to strengthen, support and expand the Company's existing intellectual property. KLG has also agreed to provide referrals to the Company for its products and services to potential customers, distributors or other potential commercial partners and to provide to the Company referrals for the licensing or other monetization of the Company's existing intellectual property and any intellectual property developed in collaboration with KLG. The term of the Consulting Agreement is three years. The term will automatically renew for additional one year terms unless terminated by either party on 30 days written notice before the end of the term.

In consideration of the services to be provided by KLG, the Company issued to KLG 9,000,000 shares of common stock (the "Shares") and a 10 year warrant (the "Warrant") for the purchase of 3,000,000 shares of common stock at an exercise price of \$0.148 per share.

The Company will have the option to repurchase from KLG up to 3,000,000 of the Shares, at par value, upon the occurrence of the following:

(a) If this Consulting Agreement is terminated by the Company for Default, as defined in the Consulting Agreement, the Company will, upon the date of such termination, have an irrevocable, exclusive option to repurchase (the "Repurchase Option") any of the Shares which have not yet been released from the Repurchase Option as described below, at par value (the "Repurchase Price"). In the event that KLG terminates the Consulting Agreement for Default, the Repurchase Option will be automatically and immediately deemed terminated.

(b) So long as the Consulting Agreement has not been terminated, the Shares will be released from the Repurchase Option according to the schedule outlined below.

Termination within days after the Effective Date	Percentage of total Shares	
1-90	12.5	%
91-180	12.5	%
181-270	12.5	%
271-360	12.5	%

Eric Bell, Tim Londergan, Yan Sheng and others are principals of KLG and will oversee various aspects of KLG's performance in rendering the services pursuant to the Consulting Agreement.

On August 14, 2014 we entered into a Cooperation Agreement dated June 25, 2014 with Western Research Institute of Wyoming ("WRI"). Pursuant to the Cooperation Agreement, we and WRI will contribute assets, services and know-how for the purpose of testing, validating and commercializing the Sonoprocess and other applications of our sonicator related technologies in the marketplace. WRI will also assist us with promoting the technology to institutional investors and industry parties. A new sonication pilot test facility will be built and operated at WRI's facilities. The purpose of the sonication pilot test facility is to generate asphaltenes and deasphalted oil products of a quality that can be reliably used to demonstrate the capabilities and benefits of sonication to potential clients, serve as part of the design basis for commercial scale engineering design and generate economic feasibility studies. The Cooperation Agreement indicates that the current preliminary estimate of the cost to design and build-out of the pilot test facility is approximately \$720,000. This estimate is subject to change, as the plans for the test facility are finalized.

Going Concern Uncertainties

As of the date of this report, there is substantial doubt regarding our ability to continue as a going concern as we have not generated any revenues to date and we do not know when or if we will be able to general revenues in the future to fund our business operations and loan commitments. The financial statements included in this report have been prepared on a going concern basis, which assumes that adequate sources of financing will be obtained as required and that our assets will be realized and liabilities settled in the ordinary course of business. If we are not to continue as a going concern, we would likely not be able to realize our assets at values comparable to the carrying value or the fair value estimates reflected in the balances set out in the preparation of the financial statements.

Our future success and viability, therefore, are dependent upon our ability to generate capital financing. The failure to generate sufficient revenues or to raise additional capital may have a material and adverse effect upon us and our shareholders. We do not have any committed sources of financing.

Because we have not generated any revenues, and have incurred losses from operations since inception, in their report on our audited financial statements for the latest fiscal year, our independent auditors included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern.

We completed the construction of our facility in Albania during the first quarter of 2014. We intend to seek a reputable processor of heavy oil as a joint venture partner and to start building another facility located in Alberta, Canada or another jurisdiction with large heavy oil production and reserves. Our goals are to begin to generate revenue from both the emulsification processing and from the de-asphalting sonication process, and to begin to expand our operations into other countries, although we are unable to predict when or if we can achieve these goals. Ultimately, we expect to generate revenue by licensing our technology to third parties, forming joint ventures to build more processing facilities and through our own stand-alone toll processing facilities. We cannot guarantee that we will begin processing oil as planned or, if our oil processing operations begin, that they will generate significant revenue.

CRITICAL ACCOUNTING POLICIES

The following discussion and analysis of financial condition and results of operations is based upon our financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, and information available from other outside sources, as appropriate. See Note 1 to our audited financial statements included in our Annual Report on Form 10-K for a more complete description of our significant accounting policies.

Property and equipment, net

Property and equipment are carried at the cost of acquisition or construction and depreciated over the estimated useful lives of the assets. Costs associated with repair and maintenance are expensed as incurred. Costs associated with

improvements which extend the life, increase the capacity or improve the efficiency of our property and equipment are capitalized and depreciated over the remaining life of the related asset. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are 3 to 5 years for machinery and equipment and 10 years for buildings. We have not recognized depreciation on machinery and equipment since we have not yet completed our production line.

Impairment of Long-Lived Assets

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the estimated future cash flows (undiscounted) expected to result from the use and eventual disposition of the asset group is less than the carrying amount of the asset group, an impairment loss is recognized which is measured based on the fair value of the asset. Construction in process is impaired when projects are abandoned or terminated. Long-lived assets were impaired for the amount of \$758,864 and \$439,134 during the year ended December 31, 2015 and 2014.

Research and development

Costs incurred in connection with the development of new products and processing methods are charged to selling, general and administrative expenses as incurred.

Recently Issued Accounting Pronouncements

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

RESULTS OF OPERATIONS

Year ended December 31, 2015 as compared to the year ended December 31, 2014

We did not generate any revenue for the year ended December 31, 2015 or December 31, 2014.

General and administrative expenses were \$742,770 for the year ended December 31, 2015. We had a gain on settlement of accounts payable of \$116,298. In addition, we recognized depreciation expense of \$38,620 for the year ended December 31, 2015. Operating expenses during the year ended December 31, 2014 totaled \$1,507,943. As noted above, operating expenses decreased during the year ended December 31, 2015.

Our loss from operations of \$781,390 resulted from the operating expenses we incurred. Loss from operations for the year ended December 31, 2014 was \$1,507,943.

Interest expense was \$22,223 for the year ended December 31, 2015. Interest expense for the year ended December 31, 2014 was \$20,000.

We acquired a 60% ownership interest in Petrosonic Albania, Sha. The net income attributable to non-controlling interest of \$40,743 and \$236,068 reflects the portion of the net income of Petrosonic Albania, Sha. attributable to Albnafita, the minority shareholder, for the year ended December 31, 2015 and 2014, respectively.

The net loss attributable to Petrosonic Energy, Inc. for the year ended December 31, 2015 of \$1,481,319 reflects the net loss of the consolidated operations of Petrosonic Energy, Inc. and Petrosonic Albania, Sha. for that period after reducing the net loss by the income attributable to the non-controlling interest described above. The net loss for the year ended December 31, 2014 was \$1,716,349.

Liquidity and Capital Resources

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As of December 31, 2015, we had cash of \$117,936 compared with \$444,630 at December 31, 2014. As of December 31, 2015, we had total current assets of \$153,947 and total current liabilities of \$962,446, resulting in a working capital deficit of \$808,449 at December 31, 2015. We have incurred an accumulated deficit of \$6,337,782.

Operating activities for the year ended December 31, 2015 resulted in net cash used of \$386,529 compared with cash used in operations for the year ended December 31, 2014 of \$640,235. The decrease in the use of cash was attributable primarily to the decrease in operating costs during the year ended December 31, 2015.

Investing activities for the year ended December 31, 2015 resulted in net cash used of \$9,341 during the year ended December 31, 2015 compared with cash used for investing activities for the year ended December 31, 2014 of \$6,302. The cash used for investing activities resulted from cash paid for the acquisition equipment during the year ended December 31, 2015 and 2014.

Financing activities for the years ended December 31, 2015 and 2014 resulted in 0.

Effects of foreign exchange on cash. The effects of foreign exchange resulted with a positive effect of \$69,176 during the year ended December 31, 2015 compared with positive effect of \$83,515 during the year ended December 31, 2014. The change reflects the effects of the variability in the rates of exchange of the various currencies in which the Company transacted business during the periods presented.

We will need to raise additional funds in order to continue operations and continue to execute on our business plan. Our cash needs are primarily for working capital to fund our operations and for capital equipment used in heavy oil processing. We have funded our operations through a variety of debt and equity financings. We presently operate with a level of overhead consistent with our current needs, but we will need to raise additional capital until our business generates revenues sufficient to support our operations, which may never occur. We do not have any committed current or future sources of financing. Our management is exploring a variety of options to meet our future cash requirements, including the possibility of debt financings, equity financings, and business combinations. If we fail to obtain the financing necessary to continue to execute on our business plan, we may be forced to reduce operations or possibly to cease operations.

Trends, Events and Uncertainties

Discussions with Sonoro Energy Ltd.

On July 27, 2012, pursuant to the terms of an Asset Purchase and Sale Agreement we acquired certain assets from Sonoro Energy Ltd., including technology relating to the treatment and upgrading of heavy oil by sonicated solvent de-asphalting, two sonic reactors and a solvent recovery system. Upon extensive testing of the Sonoro assets after the closing date, we determined that additional development was required to bring the purchased assets to the specifications that we were promised by Sonoro. We are not actively in discussions with Sonoro over this conflict, but retain the right to request improvements to our systems from Sonoro, when advantageous and cost-effective to do so.

Potential Excise Tax Liability

The Customs Code of the Republic of Albania does not specifically address the collection of excise taxes on synthetic fuel oil as this is the first time such a product is being manufactured and sold in the country. The Company is working with the Albanian tax authorities to determine its excise tax liability, therefore, at this time the Company cannot provide an estimate of the proposed tax rate percentage that will be imposed by the Albanian government. The Company has chosen to process and sell the synthetic fuel oil only after the excise tax has been determined by the Customs Department to avoid any excise tax liabilities. At this time the Company does not believe that it has incurred any excise tax liability as it has not sold any product in the market.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Pursuant to Item 305(e) of Regulation S-K, the Company, as a smaller reporting company, is not required to provide the information required by this item.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

PETROSONIC ENERGY, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Petrosonic Energy, Inc. and Subsidiary

Los Angeles, California

We have audited the accompanying consolidated balance sheets of Petrosonic Energy, Inc. (collectively the “Company”) as of December 31, 2015 and 2014 and the related consolidated statements of operations and comprehensive income (loss), stockholders’ equity (deficit) and cash flows for each of the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred recurring losses, which raises substantial doubt about its ability to continue as a going concern. Management’s plans in regard to this matter are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP

www.malonebailey.com

Houston, Texas

April 5, 2016

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PETROSONIC ENERGY, INC.**CONSOLIDATED BALANCE SHEETS**

	As of December 31, 2015	As of December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 117,936	\$ 444,630
Receivable	25,634	33,560
Prepaid expense	10,377	18,929
Inventory	-	75,883
Other current assets	-	15,645
Total current assets	153,947	588,647
Non-current assets:		
Fixed assets - net	-	718,143
Land	-	70,000
Total assets	\$ 153,947	\$ 1,376,790
Liabilities and Stockholder's Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 340,412	\$ 431,590
Accounts payable to related parties	37,365	5,868
Accrued liabilities	384,669	265,806
Convertible debt to related parties	200,000	200,000
Total current liabilities	962,446	903,264
Stockholders' Equity (Deficit):		
Common stock, \$0.001 par value, 843,750,000 shares authorized, 90,288,323 and 89,621,655 shares issued and outstanding, respectively	\$ 90,289	\$ 89,621
Additional paid-in capital	5,853,058	5,682,865
Subscription note receivable	(140,000)	(140,000)
Deficit accumulated	(6,337,782)	(4,856,463)
Accumulated other comprehensive loss	(224,145)	(293,321)
Total Petrosonic Energy, Inc. stockholders' equity (deficit)	(758,580)	482,702
Non-controlling interest	(49,919)	(9,176)
Total stockholders' equity (deficit)	(808,499)	473,526
Total liabilities and stockholders' equity (deficit)	\$ 153,947	\$ 1,376,790

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

PETROSONIC ENERGY, INC.**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	For The Year Ended December 31, 2015	For The Year Ended December 31, 2014
Operating expenses		
Selling, general and administrative	742,770	1,465,491
Depreciation and amortization expense	38,620	42,452
Gain on forgiveness of accounts payable	(116,298)	-
Loss on impairment of inventory and long-lived assets	834,747	424,474
Total operating expenses	1,499,839	1,932,417
Loss from operations	(1,499,839)	(1,932,417)
Other expense		
Interest expense	(22,223)	(20,000)
Total other expense	(22,223)	(20,000)
Net loss	(1,522,062)	(1,952,417)
Net loss attributable to non-controlling interest	40,743	236,068
Net loss attributable to Petrosonic Energy, Inc.	\$(1,481,319)	\$(1,716,349)
Basic and diluted net loss per share	\$(0.02)	\$(0.02)
Basic and diluted weighted average common shares outstanding	90,121,656	79,821,654
Other Comprehensive Loss:		
Net loss	\$(1,522,062)	\$(1,952,417)
Foreign currency translation adjustment	69,176	83,515
Comprehensive loss	(1,452,886)	(1,868,902)
Comprehensive loss attributable to non-controlling interest	40,743	236,068
Comprehensive loss attributable to Petrosonic Energy, Inc.	\$(1,412,143)	\$(1,632,834)

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

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PETROSONIC ENERGY, INC.**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)****YEARS ENDED DECEMBER 31, 2015 AND 2014**

	Common Stock Shares	Common Stock Amount	APIC	Subscription Receivable	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Petrosonic Energy, Inc.'s Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
Balances, December 31, 2013	79,821,654	\$79,821	\$4,972,751	\$(140,000)	\$(376,836)	\$(3,140,114)	\$1,395,622	\$226,892	\$1,622,514
Shares issued for services	9,800,001	9,800	388,917	-	-	-	398,717	-	398,717
Warrants issued for services	-	-	321,197	-	-	-	321,197	-	321,197
Foreign currency translation	-	-	-	-	83,515	-	83,515	-	83,515
Net loss	-	-	-	-	-	(1,716,349)	(1,716,349)	(236,068)	(1,952,417)
Balances, December 31, 2014	89,621,655	\$89,621	\$5,682,865	\$(140,000)	\$(293,321)	\$(4,856,463)	\$482,702	\$(9,176)	\$473,526
Shares issued for services	666,668	668	141,332	-	-	-	142,000	-	142,000
Warrants issued for services	-	-	28,861	-	-	-	28,861	-	28,861
Foreign currency translation	-	-	-	-	69,176	-	69,176	-	69,176
Net loss	-	-	-	-	-	(1,481,319)	(1,481,319)	(40,743)	(1,522,062)
Balances, December 31, 2015	90,288,323	\$90,289	\$5,853,058	\$(140,000)	\$(224,145)	\$(6,337,782)	\$(758,580)	\$(49,919)	\$(808,499)

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

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PETROSONIC ENERGY, INC.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For The Year Ended December 31, 2015	For The Year Ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$(1,522,062)	(1,952,417)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	38,620	27,791
Gain on forgiveness of accounts payable	(116,298)	-
Loss on impairment of inventory and long-lived assets	834,747	439,134
Shares issued for services	142,000	398,717
Options expense	28,861	321,197
Changes in operating assets and liabilities:		
Receivable	7,926	17,047
Inventory and supplies	-	(139)
Prepaid expenses and other current assets	24,197	35,259
Accounts payable and accrued expenses	143,983	73,176
Accounts payable to related parties	31,497	-
CASH USED IN OPERATING ACTIVITIES	(386,529)	(640,235)
Cash paid for purchase of fixed assets	(9,341)	(6,302)
CASH USED IN INVESTING ACTIVITIES	(9,341)	(6,302)
Effects of foreign exchange on cash	69,176	83,515
NET DECREASE IN CASH	(326,694)	(563,022)
CASH AT BEGINNING OF YEAR	444,630	1,007,652
CASH AT YEAR END	\$117,936	\$444,630
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$-	\$-
Cash paid for income taxes	-	-

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

Petrosonic Energy, Inc.

Notes to the Consolidated Financial Statements

NOTE 1: Nature of Business and Significant Accounting Policies

Nature of Business

We are an early-stage startup company focused on the sonic separation technologies and more specifically upgrading of heavy oil, and decontamination of hydrocarbons, waste oil, water and on the manufacture of synthetic fuel oil through emulsification of heavy crude oil and asphaltenes. We are in the process of engineering and building a pilot plant for decontamination of certain hydrocarbons and partial upgrading of heavy oil in Laramie, Wyoming, USA. We are also bringing online our first synthetic fuel oil manufacturing facility, which is located in Albania, and which has a manufacturing capacity of 3,000 bbls/day. We plan to generate revenue by manufacturing synthetic fuel oil. We have not generated any revenue since inception. To date, we have funded our operations through the issuance of convertible debentures and sales of shares of our common stock.

Basis of Presentation and Principal of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the Company and its 60% owned subsidiary, Petrosonic Albania, Sha. All significant intercompany accounts and transactions have been eliminated in consolidation.

Foreign Currency Translation

Assets and liabilities of foreign operations are translated from Albanian Leks into United States dollar equivalents using the exchange rates in effect at the balance sheet date. Revenues and expenses are translated using the average exchange rates during each period. Adjustments resulting from the process of translating foreign functional currency financial statements into U.S. dollars are included in accumulated other comprehensive income in common shareholders’ equity. Foreign currency transaction gains and losses are included in current earnings.

Use of Estimate

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Cash and Cash Equivalent

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Management does not believe the Company is exposed to significant credit risk. Management, as well, does not believe the Company is exposed to significant interest rate and foreign currency fluctuation risks during the period presented in these financial statements.

Accounts Receivable

Accounts receivables as of December 31, 2015 and 2014 consisted of a value-added tax receivable from the tax authorities of Albania of \$25,634 and \$33,560 respectively. The Company files for and receives a refund of this amount annually.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on a first-in, first-out (“**FIFO**”) basis. Inventory was impaired as of December 31, 2015 for the amount of \$75,883.

Property and Equipment

Property and equipment are carried at the cost of acquisition or construction and depreciated over the estimated useful lives of the assets. Costs associated with repair and maintenance are expenses as incurred. Costs associated with improvements that extend the life, increase the capacity or improve the efficiency of our property and equipment are capitalized and depreciated over the remaining life of the related asset. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are generally 3 to 5 years for machinery and equipment and 10 years for buildings.

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Impairment of Long-Lived Assets

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the estimated future cash flows (undiscounted) expected to result from the use and eventual disposition of the asset group is less than the carrying amount of the asset group, an impairment loss is recognized which is measured based on the fair value of the asset. Construction in process is impaired when projects are abandoned or terminated. Long-lived assets were impaired as of December 31, 2015 and 2014 for the amount of \$758,864 and \$439,134, respectively.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Accounting for Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduced deferred tax assets to the amount that is believed more likely than not to be realized.

Stock-Based Compensation

The Company accounts for stock-based compensation to employees in accordance with ASC 718. Stock-based compensation to employees is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite employee service period. The Company accounts for stock-based compensation to other than employees in accordance with ASC 505-50. Equity instruments issued to other than employees are valued at the earlier of a commitment date or upon completion of the services, based on the fair value of the equity instruments and is recognized as expense over the service period. The Company estimates the fair value of stock-based payments using the Black-Scholes option-pricing model for common stock options and warrants and the closing price of the Company's common stock for common share issuances. The stock-based compensation was \$170,861 and \$719,914 during 2015 and 2014, respectively.

Loss Per Share

The Company computes loss per share in accordance with ASC 260, "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

Recent Accounting Pronouncements

The company has limited operations and is considered to be in the development stage. During the year December 31, 2014, the Company has elected to early adopt Accounting Standards Update No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. The adoption of this ASU allows the company to remove the inception to date information and all references to development stage.

NOTE 2: Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, and do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company has suffered recurring net losses since inception, has an accumulated deficit at December 31, 2015 and does not have sufficient working capital for its planned activities, which raises substantial doubt about its ability to continue as a going concern.

Continuation of the Company as a going concern is dependent upon the ability of the Company to obtain additional working capital and attain profitable operations. Management of the Company has developed a strategy which it believes will accomplish this objective through short-term loans from related parties and additional equity investments, which should enable the Company to continue its operations for the coming year.

NOTE 3: Income Taxes

The Company has an accumulated net operating loss of approximately \$3,700,000 as of December 31, 2015 which begins to expire in 2032. The Company has established a valuation allowance equal to the tax effect of the loss carry forwards and, therefore, no deferred tax asset has been recognized for the loss carry forwards because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

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The Company's net deferred income tax asset as of December 31, 2015 and 2014, after applying the corporate income tax rate of 35%, are as below:

	December 31, 2015	December 31, 2014
Net operating losses	\$1,300,000	\$850,000
Valuation allowance	(1,300,000)	(850,000)
Net deferred tax assets	\$-	\$-

NOTE 4: Property and Equipment, Net

Property and equipment consisted of the following as of December 31, 2015 and December 31, 2014:

	December 31, 2015	December 31, 2014
Construction in progress - machinery and equipment	\$ -	\$546,942
Buildings (10 year useful life)	-	73,197
Equipment	-	175,820
Less: accumulated depreciation	-	(77,816)
Total	\$ -	\$718,143

During the year ended December 31, 2015, the Company wrote off its long-lived assets and inventory, and recorded loss on impairment of long-lived assets of \$758,864 and a loss on impairment of inventory of \$75,883. During the year ended December 31, 2014, the Company wrote off long-lived assets related to the Sonication process, and recorded loss on impairment of assets of \$439,134.

NOTE 4: Related Party Transactions

On June 6, 2012, we borrowed \$200,000 from our President under a convertible debenture. The convertible debenture is unsecured, originally matured on June 6, 2013 and bears interest at 10%. On June 5, 2013 the maturity date of the debenture was extended to June 6, 2014. On June 5, 2014 the maturity date of the debenture was further extended to June 6, 2015. At any time prior to the maturity date, if we complete an equity or convertible debenture financing yielding aggregate proceeds of at least \$500,000, our President may elect to convert the debenture in whole or in part into common shares at the same price any shares are sold, or in the case of a convertible debenture, the price of the shares issuable upon conversion. During 2012, the Company raised more than \$500,000 and this note became

convertible at \$0.25 per share. The outstanding unpaid balance under this note was \$200,000 as of December 31, 2015 and December 31, 2014. As of December 31, 2015, the note was in default.

As of December 31, 2015 and 2014, the Company has a payable of \$24,415 and \$5,868 to its President, respectively. The amounts are unsecured, bear no interest and due on demand

On May 29, 2015, our Board of Directors appointed Mr. Gerald W. Bruce, as Chief Technology Officer of the Company. Mr. Bruce currently serves as President of his consulting company GWB Process Consulting Inc. As compensation, upon execution of the agreement, Mr. Bruce is to be paid \$10,000, and \$3,000 per month thereafter, to be increased to \$5,000 per month once funding has been received for the development program. In connection with the agreement, the Company also agreed to issue Mr. Bruce options to purchase 500,000 shares of common stock, including 250,000 options upon reaching milestone 1, and remaining 250,000 options upon reaching milestone 2. As of December 31, 2015, the options had not yet been granted as all of the key terms and conditions have not yet been set.

As of December 31, 2015 and 2014, the Company has consulting expense payable of \$12,950 and \$0 to Mr. Bruce, respectively.

On November 18, 2015, our Board of Directors appointed Mr. Keith R. McGee, as President and Chief Operating Officer of the Company. Mr. McGee currently serves as President of his consulting company RockReef Advisors. Under the Consulting Agreement entered into by and between the Company and Rockreef Advisors, LLC, Mr. McGee is to receive 5,000,000 options of company stock, vesting upon achievement of various milestones. The options will have an exercise price of \$0.02 and shall expire five years from the grant date. In addition, Mr. McGee is to receive a monthly retainer of \$6,000.

On November 18, 2015 our Board of Directors granted Alfred Fischer, Director, 300,000 options of Company stock. The options shall vest immediately, have an exercise price of \$0.02 and shall expire five years from the grant date.

NOTE 5: Stockholders' Equity

On January 11, 2013, the Company entered into a one-year agreement with a firm that provides legal services in exchange for 900,000 shares. These shares were issued in quarterly installments beginning in April 2013. Under certain circumstances, the number of shares may be adjusted based on the type and amount of services provided by the firm. During 2013, \$490,561 in fair value was recognized in conjunction with the issuance, and 675,000 shares were issued. The fair value of the unvested portion as of December 31, 2013 was \$5,563, which was recognized during the year December 31, 2014. As of December 31, 2014, these shares have fully vested. During the year ended December 31, 2014, all common shares have been issued under this agreement. During the year ended December 31, 2014,

remaining 225,000 common shares have been issued under this agreement.

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On January 15, 2013, the Company entered into a one-year agreement with an individual for consulting services in exchange for 100,000 shares. The shares were issued in quarterly installments beginning in April 2013. During 2013, \$54,382 in fair value was recognized in conjunction with the issuance, and 25,000 shares were issued. The fair value of the unvested portion as of December 31, 2013 was determined to be \$618, which was recognized during the year ended December 31, 2014. As of December 31, 2014, these shares have fully vested. During the year ended December 31, 2014, remaining 75,000 common shares have been issued under this agreement.

On May 21, 2014, the Company entered into a Non-Exclusive Sales, Distribution, Manufacturing and License Agreement and a Consulting Agreement with a consulting firm. In consideration of these services, the Company will issue 9,000,000 shares and a 10-year warrant for the purchase of 3,000,000 shares at an exercise price of \$0.148 per share. The warrants vest immediately and have a fair value of \$321,197 as calculated using the using Black-Scholes model. Assumptions used in the Black- Scholes model include: (1) a discount rate of 0%; (2) an expected term of 10 years; (3) an expected volatility of 117%; and (4) zero expected dividends. The shares are to be issued in quarterly installments beginning in August 2014. The fair value of the shares will be determined upon the completion of the services. During the year ended December 31, 2014, \$329,464 in fair value was recognized under this award. During the year ended December 31, 2015, \$113,121 in fair value was recognized under this award. The fair value of the unvested portion as of December 31, 2015 was determined to be \$81,064, which will be recognized over the remaining service period. All common shares have been issued under this agreement.

On June 17, 2014, the Company entered into a Consulting Agreement with an individual. In consideration for these services the Company will issue 2,000,000 shares to him. During the year ended December 31, 2014, \$63,073 in fair value was recognized under this award. During the year ended December 31, 2015, \$28,879 in fair value was recognized under this award. The remaining fair value of the unvested portion as of December 31, 2015 was determined to be \$22,340, which will be recognized over the remaining service period. During the year ended December 31, 2014, 500,001 shares have been issued under this agreement. During the year ended December 31, 2015, 666,668 shares have been issued under this agreement and 833,331 have not been issued as of December 31, 2015.

On November 18, 2015, our Board of Directors appointed Mr. Keith R. McGee, as President and Chief Operating Officer of the Company. Mr. McGee currently serves as President of his consulting company RockReef Advisors. Under the Consulting Agreement entered into by and between the Company and Rockreef Advisors, LLC, Mr. McGee is to receive 5,000,000 options of company stock, one third vested upon agreement, one third upon successful capital raise of at least \$1 million, and one third at on one year anniversary. The options will have an exercise price of \$0.02 and shall expire five years from the grant date. The fair value of the options using Black Scholes model is \$73,378. The Company recognized \$24,459 in stock based compensation expense associated with this award in 2015. In addition, Mr. McGee is to receive a monthly retainer of \$6,000.

On November 18, 2015 our Board of Directors granted Alfred Fischer, Director, 300,000 options of Company stock. The options shall vest immediately, have an exercise price of \$0.02 and shall expire five years from the grant date.

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The fair value of the options using Black Scholes model is \$4,402 which was fully recognized in 2015.

A summary of the Company's option activity during the year ended December 31, 2015, is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2014	-	\$ -	-
Granted	5,300,000	0.02	4.89
Exercised	-	-	-
Forfeited/expired	-	-	-
Balance outstanding, December 31, 2015	5,300,000	\$ 0.02	4.89
Exercisable, December 31, 2015	5,300,000	\$ 0.02	4.89

A summary of the Company's warrant activity during the years ended December 31, 2015 and 2014, is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2013	765,000	\$ 0.55	1.93
Granted	3,000,000	\$ 0.15	9.39
Exercised	-	-	-
Forfeited/expired	(363,000)	-	-
Balance outstanding, December 31, 2014	3,402,000	\$ 0.20	8.62
Granted	-	-	-
Exercised	-	-	-
Forfeited/expired	(52,000)	-	-
Balance outstanding, December 31, 2015	3,350,000	\$ 0.20	7.75
Exercisable, December 31, 2015	3,350,000	\$ 0.20	7.75

NOTE 6: Gain on Forgiveness of Accounts Payable

In December 2015, the Company determined that certain accounts payable that had been accrued on its financial statements were no longer legal liabilities of the firm. This was determined by receipt of confirmation from the owed party that no balance was due. This resulted in a gain on the forgiveness of accounts payable of \$116,298 during 2015.

NOTE 7: Commitments

On May 29, 2015, the Company entered into a two-year agreement with an individual for consulting services. As compensation, upon execution of the agreement, the consultant is to be paid \$10,000, and 3,000 per month thereafter, to be increased to \$5,000 per month once funding has been received for the development program. In connection with the agreement, the Company also agreed to issue options to purchase 500,000 shares of common stock to the individual, including 250,000 options upon reaching milestone 1, and remaining 250,000 options upon reaching milestone 2. As of December 31, 2015, the options had not yet been granted as all of the key terms and conditions have not yet been set.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS REPORT

This report and the documents incorporated by reference herein contain forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. We have based these statements on our beliefs and assumptions, based on information currently available to us. You can identify these statements by the fact that they do not relate strictly to historical or current facts. You can find many (but not all) of these statements by looking for words such as “approximates,” “believes,” “hopes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “plans,” “wishes,” “should,” “could,” “may,” or other similar expressions in this report. In particular, these include statements relating to future financial results. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections.

Forward-looking statements are not guarantees of performance. Our future results and requirements may differ materially from those described in the forward-looking statements. Many of the factors that will determine these results and requirements are beyond our control. In addition to the risks and uncertainties discussed in this report, factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, the following:

our ability to successfully implement our business strategy,
our limited cash and our history of losses,
whether our technology will perform as expected,
the acceptance of our technology by the oil industry,
emerging competition and rapidly advancing technology in our industry that may outpace our technology,
our ability to raise cash as and when we need it,
the impact of competition and changes to the competitive environment on our products and services, and
other factors detailed from time to time in our filings with the Securities and Exchange Commission.

These forward-looking statements speak only as of the date of this report. We do not intend to update or revise any forward-looking statements to reflect changes in our business, anticipated results of our operations, strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events, except as required by law.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer who is also our principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our principal executive officer/principal financial officer has concluded that our disclosure controls and procedures are not effective, due to the deficiencies in our internal controls over financial reporting described below.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance to our management and Board of Directors regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention of overriding controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on our assessment, as of December 31, 2015, management has concluded that the Company's internal controls over financial reporting were not operating effectively. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal control and is considered to be material weaknesses.

We do not have an Audit Committee – While not being legally obligated to have an audit committee, it is the
1. management's view that such a committee, including a financial expert member, is an utmost important entity level control over our financial statements. To date we have not established an audit committee.

Insufficient documentation of financial statement preparation and review procedures - We employ policies and
2. procedures in reconciliation of the financial statements and the financial information based on which the financial statements are prepared, however, the controls and policies we employ are not sufficiently documented.

We did not maintain proper segregation of duties for the preparation of our financial statements – As of December
3. 31, 2015 the majority of the preparation of financial statements was carried out by one person. This has resulted in several deficiencies including:

- a. Significant, non-standard journal entries were prepared and approved by the same person, without being checked or approved by any other personnel.
- b. Lack of control over preparation of financial statements, and proper application of accounting policies.

We lack sufficient information technology controls and procedures – As of December 31, 2015, we lacked a proper
4. data back-up procedure, and while backup did take place in actuality, we believe that it was not regulated by methodical and consistent activities and monitoring.

5. Lack of formal review process that includes multiple levels of review, resulting in several audit adjustments.

Management believes that the aforementioned material weaknesses did not impact our financial reporting or result in a material misstatement of our financial statements.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. We are not required to provide an attestation report by our registered public accounting firm pursuant to the rules of the Securities and Exchange Commission.

We have begun to take action to correct the material weaknesses identified in our internal control over financial reporting. In March 2013 we added two independent directors to our Board of Directors. These independent directors have experience in reading and understanding financial statements. Once we have the funds to do so, we also plan to implement the following remediation measures:

1. We intend to appoint additional personnel to assist with the preparation of our financial statements, which will allow for proper segregation of duties as well as additional manpower for proper documentation.

2. We intend to engage in a thorough review and restatement of our information technology control procedures, in addition to procurement of all hardware and software that will enable us to maintain proper backups, access, control etc.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

There are no events required to be disclosed by the Item.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table identifies our executive officers and directors, their ages, their respective offices and positions, and their respective dates of election or appointment.

Name	Age	Title	Position Held Since
Art Agolli	44	Chief Executive Officer, Principal Financial Officer and Director	March 2012
Keith McGee	43	President and Chief Operating Officer	November 2015
Richard Rutkowski	59	Director	March 2013
Alfred Fischer	68	Director	March 2013

Terms of Office

In accordance with our bylaws and the provisions of the Nevada Revised Statutes, our directors are appointed to hold office until the next annual meeting of our stockholders, when their successors are elected, or until removed from office.

Our officers are appointed by the board of directors and hold office until removed by the board.

Business Experience

Art Agolli, Chief Executive Officer, Principal Financial Officer, Director (appointed March 2012)

Mr. Agolli was appointed a director in March 2012 and our Chief Executive Officer in July 2012. Mr. Agolli has more than 16 years of successful experience in developing heavy oil projects and, prior to July 2012, provided consulting services to various oil companies. These services consisted of negotiating oil and gas leases, advising on marketing, advising on business development, and assisting with financing. Since February 2009 he has acted as Chief Executive Officer of BA Capital, a Calgary based merchant bank serving the energy, mining and technology sectors, which he

founded. Mr. Agolli provides at least 140 hours a month in services to Petrosonic. He also provides services to BA Capital. Services provided to BA Capital average approximately 20 hours a month.

Mr. Agolli provided services to Stream Oil & Gas Ltd. as a consultant for business development from September 2008 until March 2009 and as its Executive Vice-President from March 20, 2009 until July 2010.

Mr. Agolli was a co-founder and former Vice President of Bankers Petroleum Ltd., a Toronto and London Stock Exchange listed oil and gas company. As its Vice President, Mr. Agolli assisted in building Bankers Petroleum from a start up in April 2004 to a company with a \$2.3 billion market capitalization when he left in August 2008. Bankers Petroleum has a 100% working interest and is the operator of the largest onshore heavy oil field in Europe (Albania). As a consultant to BNK Petroleum, a Toronto Stock Exchange listed company that was spun off from Bankers Petroleum in 2008, Mr. Agolli assisted in the negotiations which permitted that company to begin shale gas extraction operations in Poland. BNK Petroleum now has one of the largest shale gas land positions in the country and in Europe. BNK Petroleum grew from a start-up to a company with a market capitalization of \$700 million.

Mr. Agolli was also one of the founders of Sonoro Energy Ltd., a TSX listed company, and from time-to-time through 2011 provided business development consulting services to Sonoro.

From 1998 to 2001, Mr. Agolli was an international business and corporate development executive with Koch Industries Inc., the largest privately held company in North America. From March 2001 to December 2003 he was Chief Executive Officer of AnonimaPetroliItaliana (Albania), a subsidiary company of Api Spa, one of the largest refining and trading oil companies in Italy.

Mr. Agolli started his career as a consultant for the World Bank in Washington DC in 1997. Mr. Agolli holds a Masters Degree in Management from Grand Valley State University in Michigan and an International Relations and Business Degree from the same university. He is a member of the Association of International Petroleum Negotiators, which is headquartered in Houston, Texas. Mr. Agolli's knowledge of the energy market and his entrepreneurial experience led us to the conclusion that he should be appointed as a director.

Keith McGee, President, Chief Operating Officer (appointed November 2015)

Mr. McGee currently serves as President of his consulting company RockReef Advisors. From February 2013 until July 2015, Mr. McGee served as Sr. Vice President at Midwest Energy Emissions Corp. where he was responsible for the Company's corporate finance, IR, business development and other functions. As a contractor, Mr. McGee will be focused on business development initiatives, investor relations, and corporate finance.

Richard Rutkowski, Director (appointed March 2013)

Mr. Rutkowski has been a director of ClearSign Combustion Corporation, a publicly traded company, since January 2008 and was appointed as Chairman and Chief Executive Officer of ClearSign Combustion Corporation in February 2008. Prior to joining ClearSign Combustion Corporation, Mr. Rutkowski was a co-founder of Microvision, Inc., a leader in optical beam-scanning display and imaging systems and served as the company's Chief Executive Officer and Director from September 1995 until January 2006. In January 2000, Mr. Rutkowski co-founded Lumera Corporation, a leading developer of a broad range of devices used in optical communications, biomedical analysis and broadband imaging that are based on the company's proprietary nano-materials and electro-optic polymers. Mr. Rutkowski served as Vice-Chairman of Lumera's board from January 2000 until May 2006. From May 2006 to February 2008, Mr. Rutkowski conducted management, finance, and marketing consulting doing business under the name of Ormont. From November 1992 to May 1994, Mr. Rutkowski served as Executive Vice President of Medialink Technologies Corporation (formerly Lone Wolf Corporation), a developer of high-speed digital networking technology for multimedia applications in audio-video computing, consumer electronics and telecommunications. From February 1990 to April 1995, Mr. Rutkowski was a principal of Rutkowski, Erickson, Scott, a business development consulting firm. He has served as a director of Ideal Power Converters, Inc. since 2012. Mr. Rutkowski has frequently been featured as a speaker or panelist at technology and business conferences, and has appeared on local and national television. He was honored as a Technology Pioneer at the World Economic Forum in 2002 and has been acknowledged by the University of Washington for his support of the University's research efforts. Mr. Rutkowski attended the University of Chicago and has extensive experience in starting and building technology businesses. Mr. Rutkowski's experience as a member of the board of directors and as an executive officer of publicly traded companies led us to the conclusion that he should be appointed as a director.

Alfred Fischer, Director (appointed March 2013)

Since 2003 Mr. Fischer has been the Chief Executive Officer of Quadris Canada Corporation and Optimal Resources Inc., companies which he helped to found. Mr. Fischer has over 38 years of experience in the oil and gas industry in Canada and internationally. Mr. Fischer first entered the industry with Gulf Canada Resources Limited as an Exploration Geologist. Over the next 22 years he assumed increasing levels of management responsibility in Gulf Canada. From 1988 to 1991, Mr. Fischer served as Manager, International Development, responsible for exploitation and production in Indonesia, Egypt, and Australia offshore. In 1995 Mr. Fischer became Director, Mergers and Acquisitions and was involved in over \$2.2 billion of North American corporate and property acquisitions. In late 1996 Mr. Fischer formed his own consulting firm to continue mergers and acquisitions activities, and specialized in providing senior management and operating services to the petroleum industry. Mr. Fischer's extensive knowledge of, and experience in, the heavy oil industry led us to the conclusion that he should be appointed as a director.

Family Relationships

There are no family relationships among our directors and executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years, been involved in any legal proceedings described in subparagraph (f) of Item 401 of Regulation S-K.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between our Board of Directors and the board of directors or compensation committee of any other company, nor has any interlocking relationship existed in the past.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of Forms 3, 4 and 5 delivered to us as filed with the Securities Exchange Commission, during the year ended December 31, 2015, our executive officers and directors, and persons who own more than 10% of our common stock timely filed all required reports pursuant to Section 16(a) of the Securities Exchange Act.

Code of Ethics

We have adopted a code of ethics that applies to our executive officers, including our principal executive officer, who is also our principal financial officer. Our code of ethics is included as an exhibit to our annual report on Form 10-K for the year ended October 31, 2009. Our code of ethics is hereby incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

Executive Compensation - Executive Officers

The following summary compensation table covers all compensation awarded to, earned by or paid to our principal executive officer and each of the other two highest paid executive officers, if any, whose total compensation exceeded \$100,000 during the years ended December 31, 2015 and 2014.

Summary Compensation Table

Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-equity	All Other Compensation (\$)	Total (\$)
						Incentive Plan Compensation (\$)		
Art Agolli	2015	52,804	-	-	-	-	-	52,804
Chief Executive Officer, Chief Financial Officer	2014	75,000	-	-	-	-	-	75,000

(1) Pursuant to an employment agreement between the Company and Mr. Agolli, Mr. Agolli is to be paid an annual salary of \$150,000. During 2013 and 2014, Mr. Agolli deferred a portion of his salary. We expect to pay the balance of Mr. Agolli's salary in the future.

Compensation of Directors

We have no standard arrangement to compensate directors for their services in their capacity as directors and during the 2012 year no compensation was paid to our directors. Directors are not paid for meetings attended. On November 18, 2015 the Board of Directors of the Company granted Alfred Fischer, Director, 300,000 options of Company stock. The options' terms will be as per the Company's approved incentive option plan. The options shall vest immediately, have an exercise price of \$0.02 and shall expire five years from the grant date. We intend to review and consider future proposals regarding Board compensation. All travel and lodging expenses associated with corporate matters will be reimbursed by us, if and when incurred.

Employment Agreements

On May 1, 2013, our Board of Directors approved an amended and restated employment agreement with Art Agolli. The effective date of the agreement is January 1, 2013 and the agreement will terminate on January 1, 2015, unless earlier terminated or extended by its terms. Following the initial term, we and Mr. Agolli may renew the agreement for successive periods of two years.

Mr. Agolli's annual base salary during the term will be \$150,000 and will be subject to annual cost of living increases on January 1st of each year. Mr. Agolli is also entitled to participate in any employee benefit programs adopted by us,

and at our expense will be provided with medical and dental benefits. Within 30 days following each one-year anniversary of the effective date of the agreement, Mr. Agolli shall receive an option to purchase shares of our common stock in an amount to be determined by our board of directors and its committee responsible for compensation matters as constituted. The agreement may be terminated for cause by us, or without cause in the case of death, disability (with thirty days' prior notice), or election by either party (with thirty days' prior notice). If Mr. Agolli's employment is terminated without cause, Mr. Agolli will receive accrued but unpaid salary plus the value of accrued but unused vacation, accrued but unpaid bonuses, and applicable reimbursement of business expenses, except that in the event of a termination without cause by us, he shall also receive the foregoing plus a severance equal to the greater of (i) the salary that would be due if employment had not been terminated and (ii) 24 months of annual base salary, in addition to twelve months of employee benefits coverage. If Mr. Agolli's employment is terminated as a result of a change of control, he will be entitled to receive his accrued but unpaid salary and the value of accrued but unused vacation pay through the effective date of the termination, his accrued but unpaid annual bonus, if any, business expenses incurred prior to the effective date of termination and an amount equal to the annual salary due to him for the balance of the term, in a lump sum and without discount to present value, but in no event shall such payment total less than 24 months of salary.

Consulting Agreements

Under the Consulting Agreement entered into by and between the Company and Rockreef Advisors, LLC, Mr. McGee is to receive 5,000,000 options of company stock, vesting upon achievement of various milestones. The options terms will be as per the Company's approved incentive option plan and will have an exercise price of \$0.02 and shall expire five years from the grant date. In addition, Mr. McGee is to receive a monthly retainer of \$6,000.

Long-Term Incentive Plan Awards

We do not presently have any long-term incentive plans that provide compensation intended to serve as incentive for performance to occur over a period longer than one fiscal year, whether such performance is measured by reference to our financial performance, stock price or any other measure.

Options/SAR Grants

During the year ended December 31, 2015, no individual grants of stock options, whether or not in tandem with stock appreciation rights ("SARs") and freestanding SARs were made to our executive officers, directors or employees.

Potential Payments upon Termination or Change-in-Control

Securities and Exchange Commission regulations state that we must disclose information regarding agreements, plans or arrangements that provide for payments or benefits to our executive officers in connection with any termination of employment or change in control of the company. As described above, if we terminate Mr. Agolli's employment without cause, we would be required to pay him severance equal to the greater of (i) the salary that would be due if employment had not been terminated and (ii) 24 months of annual base salary, in addition to twelve months of employee benefits coverage. If we terminate Mr. Agolli's employment as a result of a change of control, he will receive an amount equal to the annual salary due to him for the balance of the term, in a lump sum and without discount to present value, but in no event shall such payment total less than 24 months of salary.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership

The Company has only one class of stock outstanding, its common stock. The following table sets forth certain information as of April 5, 2016, with respect to the beneficial ownership of our common stock for (i) each director and officer, (ii) all of our directors and officers as a group, and (iii) each person known to us to own beneficially 5% or more of the outstanding shares of our common stock. As of April 5, 2016, there were 90,288,323 shares of common stock outstanding.

To our knowledge, except as indicated in the footnotes to this table or pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to the shares of common stock indicated.

Name and Address of Beneficial Owner (1)(2)	Shares Beneficially Owned		Percentage Beneficially Owned	
Art Agolli, Chief Executive Officer, Principal Financial Officer and Director	20,855,911	(4)	23.10	%
Richard Rutkowski, Director	-	(3)	-	%

Keith McGee, President and Chief Operating Officer	300,000	(3)	(5)	*	%
Alfred Fischer, Director	1,666,667	(6)		1.85	%
All Officers and Directors as a Group (4 persons)	20,822,578			25.28	%
Principal Stockholders Kuai Le Gu LLC Ste 2202 Twr 6 Huamao Apts 89 Jianguo Rd Chao Dist Nejing 100025 China PRC	9,000,000			9.97	%

Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act. Pursuant to the rules of the SEC, shares of common stock which an individual or group has a right to acquire within 60 days (1) pursuant to the exercise of options or warrants are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be beneficially owned and outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

(2) The address for each of our officers and directors is Suite 300, 714 1st Street, SE, Calgary, Alberta, Canada T2G 2G8

Mr. Rutkowski and Mr. Fischer were each granted an option to purchase 250,000 shares of our common stock. The exercise price of Mr. Rutkowski's option is \$0.83 and the exercise price of Mr. Fischer's option is \$0.75. The (3) exercise prices represent the closing price of our common stock on the date that each board member was elected. There has been no final determination regarding the vesting of the right to purchase the common stock and the options were never issued, therefore we have not reported the option shares as being owned by either individual.

(4) Includes 855,908 shares of common stock that Mr. Agolli could acquire upon conversion of a promissory note in the principal amount of CDN\$200,000.

(5) Mr. Fischer was granted an option to purchase 300,000 shares of our common stock. The options vest immediately, have an exercise price of \$0.02 and expire five years from the grant date.

(6) Includes options to purchase 1,666,667 shares of our common stock. Mr. McGee was granted an option to purchase 5,000,000 shares of our common stock. One third vested upon agreement, one third will vest upon successful capital raise of at least \$1 million, and one third at on one year anniversary. The options have an exercise price of \$0.02 and expire five years from the grant date.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Certain Relationships and Transactions

The office in which Petrosonic Albania Sha. is headquartered is provided to it by Albnaftha free of charge, although Albnaftha is not required to do so. Albnaftha is wholly-owned by Art Agolli, our Chief Executive Officer, Principal Financial Officer and a director. The office in which the Company is headquartered is provided to it by Art Agolli, although he is not required to do so.

On May 29, 2015, our Board of Directors appointed Mr. Gerald W. Bruce, as Chief Technology Officer of the Company. Mr. Bruce currently serves as President of his consulting company GWB Process Consulting Inc. As compensation, upon execution of the agreement, Mr. Bruce is to be paid \$10,000, and \$3,000 per month thereafter, to be increased to \$5,000 per month once funding has been received for the development program. In connection with the agreement, the Company also agreed to issue Mr. Bruce options to purchase 500,000 shares of common stock, including 250,000 options upon reaching milestone 1, and remaining 250,000 options upon reaching milestone 2. As of December 31, 2015, the options had not yet been granted as all of the key terms and conditions have not yet been set.

Under the Consulting Agreement entered into by and between the Company and Rockreef Advisors, LLC, Mr. McGee is to receive 5,000,000 options of company stock, vesting upon achievement of various milestones. The options terms will be as per the Company's approved incentive option plan and will have an exercise price of \$0.02 and shall expire five years from the grant date. In addition, Mr. McGee is to receive a monthly retainer of \$6,000.

On March 18, 2013, in conjunction with being elected to our Board of Directors, we granted an option to purchase 250,000 shares of our common stock to Richard Rutkowski. The exercise price is \$0.83 per share.

On March 27, 2013, in conjunction with being elected to our Board of Directors, we granted an option to purchase 250,000 shares of our common stock to Alfred Fischer. The exercise price is \$0.75 per share.

Review, Approval or Ratification of Transactions with Related Persons

We currently have no policies or procedures in place regarding the review and approval of related party transactions. Until March 2013 we had only one director, therefore independent review of related party transactions could not be made by our Board of Directors. We have increased our Board by an additional two members, both of whom are independent directors. We believe that the addition of these two directors will permit appropriate scrutiny of related party transactions.

Director Independence

During the year ended December 31, 2015, we had two independent directors, Richard Rutkowski and Alfred Fischer, both of whom were appointed in March 2013. Art Agolli is not independent. We evaluate independence by the standards for director independence established by applicable laws, rules, and listing standards including, without

limitation, the standards for independent directors established by The Nasdaq Stock Market, and the Securities and Exchange Commission.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

(1) Audit Fees

The aggregate fees billed for each of the last two fiscal years for professional services rendered by MaloneBailey LLP; certified accountant for our audit of annual financial statements and review of financial statements included in our Form 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years was:

2015 \$29,280
2014 \$34,000

(2) Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by MaloneBailey LLP; certified accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported in the preceding paragraph:

2015 \$-
2014 \$-

(3) Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by MaloneBailey LLP; certified accountant for tax compliance, tax advice, and tax planning was:

2015 \$-

2014 \$-

(4) All Other Fees

The aggregate fees billed in each of the last two fiscal years for the products and services provided by the principal accountant, other than the services reported in paragraphs (1), (2), and (3) was:

2015 \$-

2014 \$-

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

- 2.1 Asset Purchase and Sale Agreement dated July 27, 2012 between the registrant and Sonoro Energy Ltd. (1)
- 3.1 Articles of Incorporation (2)
- 3.1.1 Certificate of Amendment to Articles of Incorporation and Certificate of Merger (3)
- 3.2 Bylaws (2)
- 10.1 Assignment of Shares of Common Stock dated April 17, 2012 from Art Agolli in favor of Bearing Mineral Exploration Inc. (8)
- 10.2 Convertible Debenture dated June 27, 2012 issued to Sonoro Energy Ltd. (1)
- 10.3 Non-Compete and Non-Solicitation Agreement dated July 27, 2012 between the registrant and Sonoro Energy Ltd. (1)
- 10.4 Consulting Agreement dated July 27, 2012 between the registrant and Sonoro Energy Ltd. (1)
- 10.5 Share Sale Contract dated July 27, 2012 between the registrant and Sonoro Energy Ltd. (1)
- 10.6 Form of Iraq License Agreement dated July 27, 2012 between the registrant and Sonoro Energy Ltd. (1)
- 10.7 Trust Agreement dated August 14, 2008 executed by Gerhard Schlombs (2)
- 10.8 Secured Convertible Debenture in the principal amount of CDN\$200,000 issued on June 6, 2012 in favor of Art Agolli (6)
- 10.9 Enterprise Agreement between Petrosonic Albania Sha. and Pavli Vallja Company dated September 7, 2012 (4)
- 10.10 Convertible Debenture dated June 21, 2012 in the face amount of \$40,000 issued to Jackson Bennett LLC (4)
- 10.11 Convertible Debenture dated June 6, 2012 in the face amount of CDN\$50,000 issued to Westlake Advisors Corp. (6)
- 10.12 Convertible Debenture dated March 23, 2012 in the face amount of \$50,000 issued to Sierra Growth Inc. (4)
- 10.13 Convertible Debenture dated April 18, 2012 in the face amount of \$25,000 issued to Sierra Growth Inc. (4)
- 10.14 Amended and Restated Employment Agreement effective January 1, 2013 between the registrant and Art Agolli (4)
- 10.15 Consulting Agreement dated April 24, 2013 between the registrant and StoryCorp Consulting (8)
- 10.16 Consulting Agreement with Benjamin L. Padnos (6)
- 10.17 Consulting Agreement with Ormont Investor Relations and Strategic Communications, LLC and assignment to Loma Management Partners Inc. (8)
- 10.18 Memorandum of Understanding dated September 15, 2012 between the registrant and Quadrise Canada Corporation (6)
- 10.19 Form of Securities Purchase Agreement dated January 16, 2013 (5)
- 10.20 Form of Registration Rights Agreement dated January 16, 2013 (5)
- 10.21 Form of Warrant dated January 16, 2013 (5)
- 10.22 Amendment No. 1 to Petrosonic Energy, Inc. Convertible Debenture dated June 5, 2013 between the registrant and Art Agolli (8)
- 10.23 Warrant dated September 5, 2012 for the purchase of 140,000 shares of common stock issued to Jackson Bennett LLC (6)
- 10.24

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	Warrant dated September 24, 2012 for the purchase of 200,000 shares of common stock issued to Jackson Bennett LLC (6)
10.25	Petrosonic Energy, Inc. 2013 Equity Incentive Plan (9)
10.26	Master Toll Services Agreement dated April 3, 2013 between the registrant and IDK Petrol Albania Sila (7)
10.27	Agreement dated April 19, 2013 between the registrant and Brean Capital (7)
14	Code of Ethics (10)
21	List of Subsidiaries (9)
31.1	Certification of Principal Executive Officer pursuant to 15d-15(e), promulgated under the Securities Exchange Act of 1934*
31.2	Certification of Principal Financial Officer pursuant to 15d-15(e) promulgated under the Securities Exchange Act of 1934*
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Principal Executive Officer and Principal Financial and Accounting Officer)*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*

* Filed herewith.

+ Indicates a contract with management.

(1) Incorporated by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 31, 2012.

(2) Incorporated by reference to the registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on December 19, 2008.

(3) Incorporated by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 18, 2012.

(4) Incorporated by reference to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 3, 2013.

(5) Incorporated by reference to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 23, 2013.

(6) Incorporated by reference to the registrant's Annual Report on Form 10-K/A, filed with the Securities and Exchange Commission on July 12, 2013.

(7) Incorporated by reference to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 20, 2013.

(8) Incorporated by reference to the registration's Registration Statement on Form S-1, as amended, filed with the Securities and Exchange Commission on February 11, 2013 as file number 333-186580.

(9) Incorporated by reference to the registration's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on July 12, 2013 as file number 333-189910.

(10) Incorporated by reference to the registrant's Annual Report on Form 10-K for the year ended October 31, 2009 filed with the Securities and Exchange Commission on January 27, 2010.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on behalf by the undersigned, thereto duly authorized on this __ day of March 2015.

PETROSONIC ENERGY, INC.

By: */s/ Art Agolli*
Art Agolli
Chief Executive Officer and Principal Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: April 5, 2016 */s/ Art Agolli*
Art Agolli, Chief Executive Officer,
Principal Executive Officer, Principal Financial and Account Officer and Director

Dated: April 5, 2016 */s/ Keith McGee*
Keith McGee, President, Chief Operating Officer

Dated: April 5, 2016 */s/ Alfred Fischer*
Alfred Fischer, Director

Dated: April 5, 2016 */s/ Rick Rutkowski*
Rick Rutkowski, Director

