ECLIPS ENERGY TECHNOLOGIES, INC.
Form 10-Q
November 16, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009

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

For the transition period from ______________ to ______________

Commission File No. 000-25097

EClips Energy Technologies, Inc.

(Exact name of small business issuer as specified in its charter)

Florida	**65-0783722**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3900A 31st Street North, St. Petersburg, Florida	**33714**
(Address of principal executive offices)	(Zip Code)

(**Former name, former address, if changed since last report**)

Tel: (727) 525-5552
(Issuer s telephone number)

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 during the preceding 12 months (or for such shorter period that the issuer 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 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.

Large accelerated filer ( )	Non-accelerated filer ( )
Accelerated filer ( ) (do not check if smaller reporting company)	Smaller reporting company (X)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes (   ) No (X)

State the number of shares outstanding of each of the issuer s classes of common equity, as of November 13, 2009: 63,156,751 shares of common stock.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ECLIPS ENERGY TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (unaudited)		December 31, 2008 (audited)	
Current assets				
Cash	$	18,836	$	370
Accounts receivable		27,117		40,974
Inventory		103,181		99,650
Prepaid expenses		11,223		25,964
Other current assets		35,185		57,631
Total current assets		195,542		224,589
Property and equipment, net		257,409		293,207
Other assets				
Due from related party		-		782
Long term deposits		3,850		3,850
Intangible assets, net		857,358		824,990
Total Assets	$	1,314,159	$	1,347,418
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	$	374,281	$	88,618
Accrued expenses		388,072		448,673
Due to related party		1,026		-

Total current liabilities		763,379		537,291
Total Liabilities		763,379		537,291
Stockholders' Equity				
Preferred stock, $.0001 par value; 100,000,000 authorized				
Series A, -0- shares issued		-		-
Series B, -0- and 100,000 shares issued		-		10
Series C, -0- and 100,000 shares issued		-		10
Series D, 1,500,000 and -0- shares issued		150		-
Common stock; $.0001 par value; 750,000,000 shares				
authorized; 63,156,751 and 645,834 shares issued				
and outstanding, respectively		6,315		65
Paid-in capital		24,037,268		23,041,787
Accumulated deficit		(23,492,953)		(22,231,745)
Total Stockholders' Equity		550,780		810,127
Total Liabilities and Stockholders' Equity	$	1,314,159	$	1,347,418

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

ECLIPS ENERGY TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATION
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2009 (unaudited)	2008 (unaudited)	2009 (unaudited)	2008 (unaudited)
Net sales	$ 61,266	$ 132,878	$ 260,992	$ 356,183
Cost of goods sold	27,509	66,872	189,450	185,720
Gross profit	33,757	66,006	71,542	170,463
Payroll expense	93,882	169,125	756,311	506,100
Professional and consulting expense	72,014	85,336	203,642	469,603
Research and development	51,444	293,547	183,870	508,842
General and administrative expenses	68,607	110,226	185,900	357,162
Impairment loss	-	-	-	3,264,000
	285,947	658,234	1,329,723	5,105,707
Earnings (loss) from operations	(252,190)	(592,228)	(1,258,181)	(4,935,244)
Other income (expense)				
Gain (loss) on disposal of property and equipment	-		-	(8,658)
Interest income (expense), net	(527)	(3,233)	(3,027)	(4,796)

Total other income (expense)		(527)		(3,233)		(3,027)		(13,454)
Earnings (loss) before provision for income taxes		(252,717)		(595,461)		(1,261,208)		(4,948,698)
Provision for income taxes		-		-		-		-
Net loss	$	(252,717)	$	(595,461)	$	(1,261,208)	$	(4,948,698)
Loss per common share, basic	$	(0.02)	$	(1.28)	$	(0.27)	$	(13.27)
Weighted average common shares outstanding		11,946,924		466,765		4,605,873		372,923

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

ECLIPS ENERGY TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

	September 30, 2009 (unaudited)	September 30, 2008 (unaudited)
Cash flows from operating activities:		
Net loss	$ (1,261,208)	$ (4,948,698)
Adjustments to reconcile net loss to net cash used		
in operating activities:		
Depreciation & Amortization	129,227	51,662
Impairment loss	-	3,264,000
Loss on disposal of property and equipment	-	8,658
Stock based consulting & compensation expense	656,962	14,000
Stock based donation	-	22,800
(Increase) decrease in:		
Accounts receivable	13,857	(39,100)
Inventory	(3,531)	7,102
Prepaid expenses and other assets	(87,041)	203,368
Increase (decrease) in:		
Accounts payable	285,663	29,698
Accrued expenses	(59,575)	56,387
Total adjustments	935,562	3,618,575
Net cash used in operating activities	(325,646)	(1,330,123)
Cash flows from investing activities:		
Purchase of equipment	(787)	(189,977)
Proceeds from disposal of property and equipment	-	26,171
Investment in subsidiary	-	325,000
Proceeds from loan receivable	-	1,688
Net cash provided by investing activities	(787)	162,882

Cash flows from financing activities:				
Proceeds from issuance of common stock		344,899		1,382,448
Proceeds from loan payable		-		17,000
Repayment of loans payable to related parties		-		(67,000)
Advances from related party, net		-		-
Proceeds from line of credit		-		62,608
Repayment of line of credit		-		(62,608)
Net cash provided by financing activities		344,899		1,332,448
Net increase (decrease) in cash		18,466		165,207
Cash, beginning of year		370		43,112
Cash, end of year	$	18,836	$	208,319

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Supplemental disclosures of noncash investing				
and financing activities:				
Accrual of prepaid services	$	-	$	20,535
Common stock issued for prepaid services	$	-	$	250,000
Donation of common shares	$	-	$	22,800
Contribution of capital for payment of consulting	$	-	$	14,000
Equipment purchased by credit	$	-	$	8,078
License acquired in acquisition	$	-	$	31,000
Shares issued for acquisition of subsidiary	$	-	$	4,118,000
Conversion of debt to equity (preferred stock)	$	58,257	$	-
Conversion of preferred stock to common stock	$	7,250,000	$	-
Supplemental cash flow information:				
Cash paid in interest	$	6,095	$	1,670
Cash paid for income taxes	$	-	$	-

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

EClips Energy Technologies, Inc and Subsidiaries

Notes to Financial Statements

(unaudited)

Three and Nine Months Ended September 30, 2009 and 2008

1. Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of EClips Energy Technologies, Inc., formerly known as World Energy Solutions, Inc. (the Company) which affects the accompanying financial statements.

Organization

The Company, formerly known as Advanced 3-D Ultrasound Services, Inc. was incorporated on September 23, 1997. Advanced 3D Ultrasound Services, Inc. merged with a private Florida corporation known as World Energy Solutions, Inc. effective August 17, 2005. Advanced 3D Ultrasound Services, Inc. remained as the surviving entity as the legal acquirer, and the Company also was the accounting acquirer.

On November 7, 2005, Advanced 3-D Ultrasound Services, Inc. changed its name to World Energy Solutions, Inc. (WESI).

On November 7, 2005, WESI merged with Professional Technical Systems, Inc. (PTS). WESI remained as the surviving entity as the legal acquirer, while PTS was the accounting acquirer. On February 26, 2009, The Company changed its name to EClips Energy Technologies, Inc.

On October 11, 2006, the Company acquired Pure Air Technologies, Inc. (PATI), a subsidiary of UTEK Corporation in a tax-free stock for stock exchange. The Company issued 100,000 shares of Series A convertible preferred stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of PATI, assignment of a worldwide exclusive technology license, a sponsored research agreement and $300,000 cash. The 100,000 shares of preferred stock plus $202,500 of accrued dividends were converted into 8,437,500 shares of common stock on October 17,

2007. (See note 2).

On September 28, 2007, the Company acquired Hydrogen Safe Technologies, Inc. (HSTI) in a tax free stock for stock exchange. HSTI was incorporated in the State of Florida on September 20, 2007. As consideration for the agreement, the Company issued 7,500,000 unregistered shares of common stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of HSTI, assignment of an exclusive technology license for the detection of hydrogen in vehicles, engines and / or water heaters using hydrogen and oxygen, prepaid consulting fees and $450,000 cash. (See note 2).

World Energy Solutions, Limited was created during 2007 to serve as a platform for marketing the Company s products and developments in the UK and all European Union countries, when the time is right. The entity does not have activity and has not been capitalized, and therefore, it is not consolidated.

On June 10, 2008, the Company acquired Advanced Alternative Energy, Inc. (AAEI) in a tax free stock for stock exchange. AAEI was incorporated in the State of Florida on May 20, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series B Convertible Preferred Stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of AAEI, assignment of an exclusive technology license for the production and preparation of mechanically and electrochemically stable electrodes and transition metal oxide catalysts; prepaid consulting fees and $200,000 cash. The preferred shares and any accrued dividends were converted by UTEK. (See note 2).

On September 26, 2008, the Company acquired H-Hybrid Technologies, Inc. (HHTI) in a tax-free stock for stock exchange. HHTI was incorporated in the State of Florida on September 18, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series C Convertible Preferred Stock to UTEK Corporation and 5,000,000 unregistered common shares to Hydrogen Technology Application, Inc. (HTA) in exchange for 100% of the issued and outstanding shares of HHTI and assignment of an exclusive technology license for the use of three patents and one patent applied for but not yet issued. The patents were acquired to complement and further assist our research and development efforts. The preferred shares and any accrued dividends were converted by UTEK. (See note 2).

Operations

The Company manufactures and sells transient voltage surge suppressors and related products and commercial and residential energy-saving equipment and applications to distributors and customers throughout the United States. Sales revenue in the accompanying financial statements is entirely from the sale of transient voltage surge suppressors and is recorded on the accrual method of accounting. The Company is located in St. Petersburg, Florida.

Consolidating Entities

The consolidated financial statements include the accounts of its wholly-owned subsidiaries:

EClips Energy Technologies, Inc.

Pure Air Technologies, Inc. (PATI)

Hydrogen Safe Technologies, Inc. (HSTI)

Advanced Alternative Energy, Inc. (AAEI)

H-Hybrid Technologies, Inc. (HHTI)

Significant inter-company balances and transactions have been eliminated in consolidation.

World Energy Solutions, Limited was created during 2007 to serve as a platform for marketing the Company s products and developments in the UK and all European Union countries, when the time is right. The entity does not have activity and has not been capitalized, and therefore, it is not consolidated.

Basis of Presentation

In the opinion of management, all adjustments consisting of normal recurring adjustments necessary for a fair statement of (a) the result of operations for the three month period ended September 30, 2009 and 2008; (b) the financial position at September 30, 2009, and (c) cash flows for the three and nine month periods ended September 30, 2009 and 2008.

The unaudited financial statement and notes are presented as permitted by Form 10-Q. Accordingly, certain information and note disclosures normally included in the financial statements prepared in accordance with accounting principals generally accepted in the United States of America have been omitted. The accompanying unaudited financial statements should be read in conjunction with the financial statements for the years ended December 31, 2008 and 2007 and notes thereto in the Company s annual report on Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission. Operating results for the three and nine months ended September 30, 2009 and 2008 are not necessarily indicative of the results that may be expected for the entire year.

Comparative Statements

Certain reclassifications may have been made for comparability of the statements presented. Any reclassifications are considered immaterial and are applied on a consistent basis for comparison from period to period. The financial statements reflect the reclassification of the prior year impairment loss on the comparative statement of operations. We note no effect to the prior year balance sheet as a result of this reclassification. The net loss and loss per common share also remain unchanged as originally reported.

In August 2009, the Company s Board of Directors approved a reverse split of the Company s common stock by a ratio of one (1) share for each one hundred fifty (150) shares issued and outstanding (1-for-150 reverse). All shares and per share values are retroactively stated at the post stock-split shares.

Use of Estimates

The Company prepares its financial statements in conformity with generally accepted accounting principles in the United States of America. These principals require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates.

Industry Segment

A company is required to disclose selected financial information and other related information about its operating segments. Operating segments are components of an enterprise that engage in separately identifiable business activities from the Company s main operations and for which separate financial information is maintained.

The Company considers its research and development to be a segment, as the research is for product lines separable from the Company s main line of business. Research and development costs are a segregated line item on the statement of operations.

Fair Value of Financial Instruments

The Company s balance sheets include the following financial instruments: cash, accounts receivable, inventory, accounts payable and accrued expenses. The carrying amounts of current assets and current liabilities approximate their fair value because of the relatively short period of time between the origination of these instruments and their expected realization.

Cash

The majority of cash is maintained with a major financial institution in the United States. Deposits with this bank may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed on demand and, therefore, bear minimal risk. The Company considers all highly liquid investments purchased with an original maturity of nine months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist of amounts due for the delivery of finished good sales to customers. Revenue is recognized when shipments are made to customers. The Company recognizes a sale when the product has been shipped and risk of loss has passed to the customer. An allowance for doubtful accounts is considered to be established for any amounts that may not be recoverable, which is based on an analysis of the Company s customer credit worthiness, and current economic trends. Based on management s review of accounts receivable, no allowance for doubtful accounts was considered necessary. Receivables are determined to be past due, based on payment terms of original invoices. The Company does not typically charge interest on past due receivables.

Inventory

Inventory is stated at the lower of average cost or market, using the first-in, first-out method, and includes costs of materials, labor and manufacturing overhead. Inventory is comprised of raw materials, work-in-progress and finished goods.

Property and Equipment and Intangible Assets

Equipment is stated at cost. Depreciation is computed by the straight-line method over estimated useful lives (three to seven years for equipment, thirty-nine for leasehold improvements). Capital leases are included as a component of property and equipment and amortization of assets under capital leases is included in depreciation expense. The carrying amount of all long-lived assets is evaluated periodically to determine if adjustment to the depreciation and amortization period or the unamortized balance is warranted. Based upon its most recent analysis, the Company believes that no impairment of equipment existed at December 31, 2008.

The Company has recorded intangible license for $988,660 related to acquisitions of patent rights and certain other intellectual property, secured from an unrelated company. The Company valued these licenses based on the value of the stock issued, as the Company believes that this is the more reliable measurement. The intellectual property consists primarily of patents and patent applications, which the Company has estimated has a useful life of ten to seventeen years.

The Company has capitalized website development costs for web site development. The costs are being amortized over the estimated life of the website of three years.

Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets. The Company recognized $0 and $3,264,000 of impairment losses for the nine month periods ended September 30, 2009 and 2008, respectively.

Income taxes

The Company accounts for income taxes under the liability method which provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

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Warranty Costs

The Company provides product warranties for specific product lines and accrues for estimated future warranty costs in the period in which revenue is recognized. The Company has not experienced any significant warranty expense and considers the current reserves adequate. Management reviews warranty expenses incurred on a periodic basis considers any required increase or decrease of the reserve. The warranty reserve as of September 30, 2009 and December 31, 2008 was $5,227. There has been no warranty expense recognized for the periods presented.

Freight Costs

The Company includes freight-in costs in cost of goods sold. Total freight-in included in cost of goods sold for the years ended September 30, 2009 and 2008 was $3,567 and $3,845, respectively.

Advertising Expense

The Company follows the policy of charging advertising and promotions to expense as incurred. Advertising expense was $4,267 and $54,749 for the nine months ended September 30, 2009 and 2008, respectively.

Research and Development

The Company expenses research and development costs when incurred. Indirect costs related to research and developments are allocated based on percentage usage to the research and development. Capitalized research and development assets with alternative future uses are amortized to research and development expense over the estimated useful life of the asset. Research and development costs were expensed, for the three and nine months ended September 30, 2009 and 2008 in the amount of $51,444, $293,547, $183,870 and $508,842, respectively.

Earnings (loss) per common share

Loss per share is based on the weighted average number of common shares outstanding during each period. For the nine month periods ended September 30:

		2009		**2008**
Net income (loss) per share basic and diluted:				
Net income (loss)	$	(1,261,208)	$	(4,948,698)
Weighted average shares		4,605,873		372,923
Net income (loss) per share	$	(0.27)	$	(13.27)

Potentially dilutive options and preferred stock conversion were not included in the computation of dilutive net earnings per share as their effect would have been anti-dilutive. For the period ended September 30, 2009, a total of 570,594 options, as adjusted for reverse split, were excluded from the computation. There were no dilutive common stock equivalents as of September 30, 2009.

Share Based Payments

All share-based payments to employees, including grants of employee stock options to be recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period). The Company had no additional common stock options or common stock equivalents granted for all periods presented and all compensation has been recognized for previous issuances.

The Company, at times, issues restricted stock to consultants for various services. Cost for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete. The Company recognized consulting expenses and a corresponding increase to additional paid-in-capital related to stock issued for services.

Stock compensation, when issued, were issued to consultants for past services provided, accordingly, all shares issued are fully vested, and there is no unrecognized compensation associated with these transactions. Stock based compensation was $656,952 and $14,000, for the nine months ended September 30, 2009 and 2008, respectively.

Subsequent Events

These interim financial statements were approved by management and were issued on November 12, 2009. Subsequent events have been evaluated through this date.

2. Mergers and acquisitions:

Pure Air Technologies, Inc. (PATI)

On October 11, 2006, the Company acquired 100% of the issued and outstanding stock of Pure Air Technologies, Inc. (PATI), a subsidiary of UTEK Corporation in a tax free stock for stock exchange. PATI was incorporated in the State of Florida on August 7, 2006 and had no prior accounting activity and no liabilities as of the date of the acquisition. The Company issued 100,000 shares of the Company Series A convertible preferred stock in exchange for $300,000 cash, $231,709 of prepaid sponsored research and license agreements, including a worldwide exclusive license in the field of air purification, for a technology designed to help eliminate organic and biological airborne organisms. The Preferred Stock issued in the exchange is restricted and may only be resold pursuant to the requirements of the Securities Act of 1933. The 100,000 shares of preferred stock plus $202,500 of accrued dividends were converted into 56,250 (8,437,500 pre-reverse split) shares of common stock on October 17, 2007.

The intellectual rights related to the purchase of PATI were valued at $3,456,631 at the time of the acquisition. While the Company anticipates further development of the related technology, as of December 31, 2006, the technology had not yet been tested on the market nor had there been any related sales. Estimation of future sales could not be determined as the technology is not yet ready to be introduced into the market place and knowledge of when or if the Company can fully develop the technology is

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not known. In addition, the consideration of other similar technology entering the market prior to the Company cannot be determined. Based on the above factors, the Company concluded that the valuation of the intangible could not be fully supported and therefore as of December 31, 2006, the Company deemed the intellectual rights impaired and wrote them off during 2006.

Hydrogen Safe Technologies, Inc. (HSTI)

On September 28, 2007, the Company acquired Hydrogen Safe Technologies, Inc. (HSTI) in a tax-free stock for stock exchange. As consideration for the agreement, the Company issued 50,000 (7,500,000 pre-reverse split) unregistered shares of common stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of HSTI, assignment of an exclusive technology license for the detection of hydrogen in vehicles, engines and / or water heaters using hydrogen and oxygen, prepaid consulting fees, related to a nine month consulting agreement, and $450,000 cash.

The acquisition of HSTI was considered to be a purchase of productive assets, as a result of the analysis of the inputs, processes and outputs and consideration of the total concentration of the fair value of the transferred assets to the acquisition. Accordingly, no goodwill was recognized on the purchase.

The purchase price of $3,825,000 was based on the stock closing price on the date of acquisition. The resulting intangible asset of $3,332,650 was analyzed and although the Company anticipates further development of the related technology, as of September 30, 2007, the technology had not yet been tested on the market nor had there been any related sales. Estimation of future sales could not be determined as the technology is not ready to be introduced into the market place and knowledge of when or if the Company can fully develop the technology is not known. In addition, consideration of other similar technology entering the market prior to the Company cannot be determined. Based on the above factors, the Company concluded that the capitalized value of the intangible could not be supported and therefore as of September 30, 2007, the Company deemed the intangible asset to be fully impaired and recognized the expense in 2007.

The HSTI license agreement has 3% royalties due on net sales of the licensed product which can be netted against required minimum annual royalties. For the year 2008-2009, $5,000 minimum royalties are due and payable January 31, 2010; for years 2009-2010, the minimum royalty is $10,000; for years 2010-2011 the minimum royalty is $15,000; after 2011 the minimum annual royalties are $30,000. All minimum royalties are due and payable on January 31, of the following calendar year. The agreement can be terminated on thirty days notice if the company fails to pay any due and payable royalties and the license would revert back to the licensor and all royalties and payments would cease.

Advanced Alternative Energy, Inc. (AAEI)

On June 10, 2008, the Company acquired Advanced Alternative Energy, Inc. (AAEI) in a tax free stock for stock exchange. AAEI was incorporated in the State of Florida on May 20, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series B Convertible Preferred Stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of AAEI, assignment of an exclusive technology license for the production and preparation of mechanically and electrochemically stable electrodes and transition metal oxide catalysts; prepaid consulting fees and $200,000 cash.

The preferred shares may be converted by the holder at any time into common stock prior to the sixty month anniversary of the execution of the agreement into the value of $3,500,000 of common shares of the Company, based on the average of the five day closing price prior to the conversion. At any time after six months and before the sixty month anniversary of the execution of the agreement, the Company will have the right, at its sole discretion, to repurchase at an agreed upon percentage value, any non-converted shares of the Series B Convertible Preferred Stock. The shares may be repurchased within twelve months at 105%; within thirteen and twenty-four months at 110%; within twenty-five and thirty-six months at 115%; and at anytime after thirty-six months at 120% of the value of the original pro rata purchase price. The convertible preferred shares have no voting rights. The 100,000 shares of preferred stock were converted into 367,454 (55,118,111 pre-reverse split) shares of common stock on May 7, 2009.

The acquisition of AAEI was considered to be a purchase of productive assets, as a result of the analysis of the inputs, processes and outputs and consideration of the fair value of the transferred assets to the acquisition. Accordingly, no goodwill was recognized on the purchase.

Royalties will become due on a quarterly basis based upon the net sales of any of the licensed products sold from the technology license. Royalties are to be paid within ninety days and are based on 3% of the net sales on the licensed products. The royalty obligations will terminate on a country by country basis upon the expiration of the last to expire licensed patent covering the licensed product in each such country. Twelve months after the first anniversary of the execution of the license agreement, minimum annual royalties become due. The minimum royalty due for the second anniversary year of the executed agreement is $5,000; for the third anniversary is $10,000; for the fourth anniversary is $15,000 and for the fifth anniversary thereafter until the end of the license term is $30,000. AAEI will reimburse any patent costs incurred to maintain or control the patents related to the technology and licensed products.

The prepaid consulting expenses relate to technical consulting services to be provided related to the license. The consulting agreement was entered into by UTEK on the behalf of AAEI and per the agreement any additional consulting expenses will be the direct responsibility of UTEK.

The purchase price of $3,500,000 was based on the agreed face value of the Series B Convertible Preferred Stock as of the date of acquisition. The resulting intangible asset of $3,264,000 was analyzed and although the Company anticipates further development of the related technology, as of June 30, 2008, the technology had not yet been tested on the market nor had there been any related sales. Estimation of future sales could not be determined as the technology is not ready to be introduced into the market place and knowledge of when or if the Company can fully develop the technology is not known. In addition, consideration of other similar technology entering the market prior to the Company cannot be determined. Based on the above factors, the Company concluded that the valuation of the intangible could not be supported and therefore as of June 30, 2008, the Company deemed the intangible asset to be totally impaired and wrote it off.

H-Hybrid Technologies, Inc. (HHTI)

On September 26, 2008, the Company acquired H-Hybrid Technologies, Inc. (HHTI) in a tax-free stock for stock exchange. HHTI was incorporated in the State of Florida on September 18, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series C Convertible Preferred Stock to UTEK Corporation and 33,333 (5,000,000 pre-reverse split) unregistered common shares, restricted for twelve months after the effective date, to Hydrogen Technology Application, Inc. (HTA) in exchange for 100% of the issued and outstanding shares of HHTI and assignment of an exclusive technology license for the use of three patents and one patent applied for but not yet issued. The patents were acquired to complement and further assist our research and development efforts.

The acquisition of HHTI is considered to be a purchase of productive assets, as a result of the analysis of the inputs, processes and outputs and consideration of the total concentration of the fair value of the transferred assets to the acquisition. Accordingly, no goodwill will be recognized on the purchase. The identifiable assets of HHTI include cash and assignment of an exclusive technology license for the use of three patents and one patent applied for but not yet issued.

The Series C Convertible Preferred Stock has no voting rights, no liquidation preferences and no dividend rights. The holder may convert the Series C Convertible Preferred Stock at any time into common stock prior to the sixty-month anniversary of the execution of the agreement. The 100,000 shares of Series C Convertible Preferred Stock is convertible into $3,750,000 of our common shares, based on the average of the five-day closing price prior to the conversion. At any time after six months and before the sixty month anniversary of the execution of the agreement, the Company will have the right, at its sole discretion, to repurchase at an agreed upon percentage value, any outstanding shares of the Series C Convertible Preferred Stock. The outstanding shares of the Series C Convertible Preferred Stock shares may be repurchased within twelve months at 105% of the aforementioned conversion price; within thirteen and twenty-four months at 110% of the aforementioned conversion price; within twenty-five and thirty-six months at 115% of the aforementioned conversion price; and at any time after thirty-six months at a 120% of the aforementioned conversion price. The convertible preferred shares have no voting rights. The 100,000 shares of preferred stock were converted into 159,236 (238,853,503 pre-reverse split) shares of common stock on June 29, 2009.

The valuation of the intangible assets purchased were based the number of shares, convertible at the time of agreement, at the fair market rate. This amount was discounted, based on SEC Rule 144 limitations, and the historical trading volume and the size of the block relative to the Company s total number of common stock equivalent shares outstanding, management determined that the market would be unable to absorb the block at the calculated price and that it was appropriate to deduct a discount from that price to reflect the lack of liquidity. Utilizing dribble out methodology over various assumed periods, management developed a range of potential discounts to reflect the lack of liquidity of the subject shares. Management believes a discount of 80% is appropriate given the facts and circumstances of this valuation. Thus, the resulting value for the consideration given for the assets acquired in this transaction, net of cash received in the transaction, is $818,000.

Royalties to HTA will become due on a bi-annual basis based upon the net sales of any of the licensed products sold from the technology license. Royalties are to be paid within thirty days and are based on 3% of the net sales on the licensed products. No minimum royalties shall be required for the first twelve months after the effective date of the agreement; however each succeeding twelve months after the effective date of the agreement minimum annual royalties become due.

The minimum royalty due for the second through the fifth (September 2010 2013) anniversary of the executed agreement is $20,000 and then thereafter the minimum royalty payment become $50,000 per year. The minimum annual royalties are fully creditable against any actual earned royalties paid during the previous twelve month period. The minimum royalties are not refundable in any part and if any payment becomes delinquent it shall bear interest at an annual rate of one and one-half (1.5) percentage points above the prime rate quoted on the last day of said period by a designated major financial institution.

3. Inventory:

Inventory consists of the following:

		September 30, 2009		December 31, 2008
Raw materials	$	68,287	$	62,614
Work in Process		-		-
Finished goods		26,975		26,152
Purchased finished goods		20,989		23,940
		116,251		112,706
Less allowance for obsolescence		(13,070)		(13,056)
	$	103,181	$	99,650

4. Other Current Assets:

During the year ended December 31, 2006, the Company loaned $30,000 to a consultant with an original maturity date of November 15, 2007. The loan which accrues interest at 6% annum was converted to a demand note, with no maturity date. As of September 30, 2009 and December 31, 2008, accrued interest was $5,185 and $3,837, respectively, and is included in other current assets.

Other current assets also include deferred consulting expense of $0 and $23,794 as of September 30, 2009 and December 31, 2008.

5. Property and Equipment:

Property and equipment consist of:

		September 30, 2009		December 31, 2008
Autos and Trucks	$	43,544	$	43,544
Furniture, Fixtures and Equipment		381,567		380,778
Leasehold Improvements		19,423		19,423
		444,534		443,745
Accumulated Depreciation		(187,125)		(150,538)
	$	257,409	$	293,207

Office equipment at September 30, 2009 and December 31, 2008 includes equipment acquired under a capital lease with a capitalized value of $16,073. Related amortization included in accumulated depreciation was $16,073 at September 30, 2009 and December 31, 2008.

Depreciation expense totaled $36,585 and $36,129 for the nine months ended September 30, 2009 and 2008, respectively.

6. Intangible Assets:

Other assets include license agreements in the total amount of $943,010. The Company has worldwide exclusive licenses in the field of air purification, for technology designed to help eliminate organic and biological airborne organisms; and for the exclusive rights for surface acoustic wave hydrogen sensor technology, which includes the rights for use, sub-licensing and selling related licensed products; and a hydrogen technology application. Licenses are being amortized over a life of 10-17 years. Amortization expense was for the nine months ended September 30, 2009 and 2008 was $69,812 and $24,005, respectively.

The Company has capitalized website development costs totaling $45,650, which are reflected net of accumulated amortization of $29,484 and $18,210 for the periods ending September 30, 2009 and December 31, 2008, respectively. The costs are being amortized over the estimated life of the website of three years. Amortization expense related to the website development was $11,274 and $7,970 for the nine month periods ended September 30, 2009 and 2008, respectively.

Intangible assets consisted of the following:

		September 30, 2009		December 31, 2008	
License and patents	$	943,010	$	818,000	10 - 17 year
Website Development		45,650		45,650	3 year
		988,660		863,650	
Accumulated Amortization		(131,302)		(38,660)	
	$	857,358	$	824,990	

Future amortization of intangible assets:		
2009	$	27,028
2010		98,120
2011		92,596
2012		89,154
2013		89,154
2014		89,154
thereafter		372,152
	$	857,358

For the nine month period ended September 30, 2009 and 2008, the Company had written off $0 and $3,264,000, respectively of intangible assets (see note 2).

7. Lease Commitments:

The Company maintains two facilities: its main office which houses the corporate and manufacturing facilities and a second unit used for research and development within the same industrial complex and has two separate leases related to these facilities. The main office lease has a term expiring on September 30, 2009. During the term of the lease the Company is required to maintain comprehensive public liability insurance, including property damage for the benefit of the Company and the lessor.

The research and development lease expires on October 14, 2009 and month to month thereafter. The payment of its rent is guaranteed by the Company's President. The lease requires the Company to maintain comprehensive general liability insurance with minimum limits of $1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. The lessor shall be listed as an additional insured on this policy.

Total rent expense on these leases was $54,718 for the nine months ended September 30, 2009 and 2008.

8. Related Party Transactions:

The Company leases their corporate office facility from their Chief Operation Officer and Director. The lease expires in October 2009. The total rent expense related to this lease was $54,718 for the nine months ended September 30, 2009 and 2008.

The Company has a month to month consulting agreement for investor services with a Director of the Company. As of September 30, 2009 the company had expensed approximately $45,000 for these services.

During 2008, the Company entered into an agreement with UTEK for services to be rendered related to comparative analysis of intellectual property developments. As payment for these services the company issued 12,820 (1,923,077 pre-reverse split) unregistered common shares which were valued at the fair market value of the common shares at the date of agreement and recorded as a prepayment for the services to be rendered. For the year ended December 31, 2008, the full value of $250,000 had been recognized as expense.

In 2009 the Company entered into an employment agreement with their Chief Executive Officer. The agreement provided an annual salary and 4,000 (600,000 pre-reverse split) shares of common stock, immediately vested. The stock was valued at the fair market value at the date of issuance, resulting in stock-based compensation expense of $13,200.

The Company entered into a two year consulting agreement on April 7, 2008 for consulting services to be rendered in the area of design, manufacturing, sales marketing and distribution of surge protection. As compensation, the consultant is to be paid $65,000 annually as base compensation and various defined levels of commission percentages will be paid based on the type of sales generated. The consultant will be reimbursed for any approved job related expenses and will report directly to the Chief Operation Officer.

9. Concentrations of Credit Risk:

The Company sells its products to customers on an open credit basis. The Company's trade accounts receivable are due from such customers and are generally uncollateralized. During the nine months ended September 30, 2009 two customers accounted for approximately 27.8% of the Company s sales. For the nine months ended September 30, 2008 one customer accounted for approximately 14% of Company sales.

10. Income Taxes:

The provision for federal and state income taxes for the years ended September 30 is as follows:

		2009		2008
Current	$	-	$	-
Deferred		-		-
Total Provision for Income Taxes	$	-	$	-

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities are as follows:

		2009		2008
Deferred tax assets:				
Net operating loss carry forwards	$	7,262,400	$	6,381,700
Other		7,000		13,300
Total deferred tax assets	$	7,269,400	$	6,395,000
Deferred tax liabilities:				
	$	19,000	$	11,200

Book basis of property and equipment in excess of tax basis				
Total deferred tax liabilities	$	15,000	$	11,200
Net deferred tax asset before valuation allowance	$	7,250,400	$	6,363,300
Valuation allowance		(7,250,400)		(6,363,300)
Net deferred tax asset	$	-	$	-

The Company has recorded a 100% valuation allowance against the net deferred tax asset at September 30, 2009 and 2008 due to the uncertainty of its ultimate realization. As time passes, management will be able to better assess the amount of tax benefit it will realize from using the net deferred tax asset resulting from the loss carry forwards. The valuation allowance increased $466,400 and $406,200 in the nine month periods ended September 30, 2009 and 2008, respectively. At December 31, 2008, the Company has available unused federal net operating losses of approximately $18,100,000 that may be used against future taxable income and if not utilized, will expire by the end of 2026.

Income taxes for the nine month periods ended September 30, 2009 and 2008 differ from the amounts computed by applying the effective income tax rate of 34.0% to income taxes as a result of the following:

	2009	2008
Expected provision (benefit)	$ (470,400)	$ (1,480,100)
Effect of:		
State income taxes net of federal benefits	(41,600)	(38,300)
Non-deductible (income) expense	45,600	1,120,900
Other, net	0	(8,700)
Change in valuation allowances	466,400	406,200
	$ -	$ -

11. Stock Transactions:

Reverse Stock Split

On July 28, 2009 the Board of Directors approved a reverse split of the Company s common stock by a ratio of one (1) share for each one hundred fifty (150) shares issued and outstanding (1-for-150 reverse). The Company filed appropriate applications with FINRA to provide notice of the reverse stock split to the market and requested new CUSIP numbers for its common stock. On August 24, 2009, FINRA approved the Company s proposed reverse stock split and advised the Company that the reverse stock split would take effect at the open of business on August 25, 2009. All shares and per share values are retroactively stated at the post stock-split shares.

Sale of Shares - Regulation S

The Company has commenced an offering of its common stock pursuant to and in reliance upon the exemption from registration provided by Securities and Exchange Commission Regulation S, promulgated under the Securities Act of 1933, as amended. The Company has authorized for sale up to sixty million (60,000,000) shares of its restricted common stock (the Shares) in the Regulation S offering (the Offering). The Shares are available for sale only to third parties who are not U.S. persons (as defined in Rule 902 of Regulation S).

The Company has engaged three separate entities to serve as its distribution managers for the Offering. The Company and the distribution managers have engaged two separate entities to serve as the escrow agent. The escrow agent will hold funds paid by buyers and disburse Company stock certificates to buyers who qualify as non-U.S. persons in a

Regulation S placement and whose offers to purchase Shares are accepted by the Company.

The shares sold will be offered on the lower of the closing bid price for ECET (previously WESI) stock as quoted on the NASDAQ Bulletin Board on the date prior to the trade date or the closing price of said shares minus an original offering discount of 15%. The Company will receive 27% of the proceeds from each accepted offer and the balance will be paid to the Distribution Manager (72%) and the Escrow Agent (1%).

Service Shares and Agreements

The Company sold fifty million (50,000,000) shares of its common stock on September 15, 2009. The Company sold the Shares in exchange for forgiveness of accrued salary in the amount of fifty thousand dollars ($50,000) due to a Company employee. The Shares were sold pursuant to the transaction exemption from registration in Section 4(2) of the Securities Act of 1933. The Shares were sold to an affiliated person who is a sophisticated investor. The shares were valued at the fair market value of the shares at $120,500, representing an additional $70,500 of stock-based compensation, recognized in the quarter ending September 30, 2009.

During the nine months ended September 30, 2009 and 2008, the Company issued shares of common stock for various consulting and other services, in payment of work performed valued at approximately $56,962 and $14,000, respectively.

On January 8, 2008, the Company donated 667 (100,000 pre-reverse split) shares of stock to an organization. The stock was valued at the stock closing price on the date of the donation which was $34,18 ($0.228) resulting in a total expense of $22,800.

Issuance of Preferred Shares

On February 13, 2009 the Company sold 1,500,000 shares of the restricted Preferred Stock (with 500 votes per share) to Benjamin C. Croxton, the Company s Chief Executive Officer. The Company exchanged the shares for an assignment of accrued vacation pay and back salary in the amount of $8,256.50 due to Mr. Croxton. The issuance of the restricted Preferred Stock and the consideration received by the Company were approved by the Board of Directors at a meeting on February 10, 2009. The shares of restricted Preferred Stock were issued in a private transaction pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933. The shares of restricted Preferred Stock have 750,000,000 shareholder votes which when

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combined with Mr. Croxton s common stock holdings equates to 87.9% of the total combined shareholder votes of 858,138,831 for both the issued and outstanding common stock and Preferred Stock.

Acquisition Pure Air Technologies, Inc.

On October 11, 2006, The Company acquired 100% of the issued and outstanding stock of Pure Air Technologies, Inc. (PATI), a subsidiary of UTEK Corporation in a tax free stock for stock exchange. The Company issued 100,000 shares of the Company Series A convertible preferred stock in exchange for $300,000 cash, $293,369 of prepaid sponsored research and license agreements, including a world wide exclusive license in the field of air purification, for a technology designed to help eliminate organic and biological airborne organisms. At any time after one year, at the election of UTEK, the convertible preferred stock could convert into $4,050,000 of restricted common stock of the Company, based on the previous ten day average closing bid price on the date of conversion. With a minimum of at least ten cents ($0.10) per share; thereby limiting the maximum number of restricted common shares to be received upon conversion to 40,500,000.

During the twelve month period in which UTEK was holding the preferred stock, the Company accrued interest at an annual rate of 5%, compounded quarterly, which was payable in cash or common shares of the Company. On October 11, 2007, UTEK Corporation converted all of the 100,000 Series A convertible preferred shares that were issued with the acquisition of Pure Air Technologies, Inc. In addition, accrued dividends in the amount of $202,500 were converted. A total of 56,250 (8,437,500 pre-reverse split) Common Shares of the Company were issued for the conversions.

Acquisition Hydrogen Safe Technologies, Inc.

On September 28, 2007, the Company acquired Hydrogen Safe Technologies, Inc. (HSTI) in a tax-free stock for stock exchange. As consideration for the agreement, the Company issued 50,000 (7,500,000 pre-reverse split) unregistered shares of common stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of HSTI, assignment of an exclusive technology license for the detection of hydrogen in vehicles, engines and / or water heaters using hydrogen and oxygen, prepaid consulting fees, related to a nine month consulting agreement, and $450,000 cash.

Acquisition Advanced Alternative Energy, Inc.

On June 10, 2008, the Company acquired Advanced Alternative Energy, Inc. (AAEI) in a tax free stock for stock exchange. AAEI was incorporated in the State of Florida on May 20, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series B Convertible Preferred Stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of AAEI, assignment of an exclusive technology license for the production and preparation of mechanically and electrochemically stable electrodes and transition metal oxide catalysts; prepaid consulting fees, for a technical consulting agreement related to the license, and $200,000 cash.

The preferred shares may be converted by the holder at any time into common stock prior to the sixty month anniversary of the execution of the agreement into the value of $3,500,000 of common shares of the Company, based on the average of the five day closing price prior to the conversion. At any time after six months and before the sixty month anniversary of the execution of the agreement, the Company will have the right, at its sole discretion, to repurchase at an agreed upon percentage value, any non-converted shares of the Series B Convertible Preferred Stock. The 100,000 shares of preferred stock were converted into 367,454 (55,118,111 pre-reverse split) shares of common stock on May 7, 2009.

Acquisition H-Hybrid Technologies, Inc.

On September 26, 2008, the Company acquired H-Hybrid Technologies, Inc. (HHTI) in a tax-free stock for stock exchange. HHTI was incorporated in the State of Florida on September 18, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series C Convertible Preferred Stock to UTEK Corporation and 33,333 (5,000,000 pre-reverse split) unregistered common shares to Hydrogen Technology Application, Inc. (HTA) in exchange for 100% of the issued and outstanding shares of HHTI and assignment of an exclusive technology license for the use of three patents and one patent applied for but not yet issued.

The Series C Convertible Preferred Stock has no voting rights, no liquidation preferences and no dividend rights. The holder may convert the Series C Convertible Preferred Stock at any time into common stock prior to the sixty-month anniversary of the execution of the agreement. The 100,000 shares of Series C Convertible Preferred Stock is convertible into $3,750,000 of our common shares, based on the average of the five-day closing price prior to the conversion. The 100,000 shares of preferred stock were converted into 1,592,356 (238,853,503 pre-reverse split) shares of common stock on June 29, 2009.

Stock Options

In February 2007, the company issued 4,333 (650,000 pre-reverse split) stock options to a director of the company for consulting services valued at approximately $182,836. The expense was recognized for the year ended December 31, 2007.

During the years ended December 31, 2008 and 2007, the Company issued rights to purchase stock in the amount of 7,160 (1,074,000 pre-reverse split) and 8,333 (1,250,000 pre-reverse slip shares, respectively. The exercise price ranges from $15.00 ($0.10) to $75.00 ($0.50) per share and the options can be exercised for a period of three years.

Employee Stock Options

On September 18, 2008, the Board of Directors for the Company approved a Stock Grant and Option Plan (the 2008 SGOP) that provides for the issuance of up to 133,333 (20 million pre-reverse split) shares of the Company s common stock to officers, directors, employees and consultants who render bona fide services to the Company. In connection with approval of the Stock Plan, the Board of Directors for the Company also has approved the filing of a registration statement with the Securities and Exchange Commission on Form S-8, on November 26, 2008, to facilitate registration of the 20 million shares of common stock allocated for ultimate distribution by the Stock Plan. No shares were issued for the nine months ended September 30, 2009.

The purpose of the EClips Energy Technologies, Inc. 2008 SGOP, as amended, is to offer selected employees, directors and consultants an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, to encourage such selected persons to remain in the employ of the Company, and to attract new employees with outstanding qualifications. The Plan seeks to achieve this purpose by providing for Awards in the form of Registered Shares, Restricted Shares and Options (which may constitute Incentive Stock Options or Non-statutory Stock Options) as well as the direct award or sale of Shares of the Company s Common Stock. Awards may be granted under this Plan in reliance upon federal and state securities law exemptions.

12. Commitment and Contingencies:

Going concern:

As reflected in the Statement of Operations, the Company has had recurring losses and negative cash flows from operations. These factors are an indication that that the Company may not be able to continue as a going concern. To continue as a going concern, the Company will need to raise additional capital, borrow funds, or generate more revenues from current product sales and new product sales associated with the business plan implementation. If current cash flow is not sufficient to cover planned operations for the next twelve months, management believes it can raise additional capital from private placements, borrow funds from its officers, and delay certain expenditures to continue as a going concern during the next year.

Legal matters:

From time to time the Company may be a party to litigation matters involving claims against the Company. During the first quarter of 2009, a suit has been brought against the company by a former employee regarding a cancelled employment agreement. The Company believes it has a strong defense in all significant matters of the case. However, this matter may result in an adverse judgment or award, or the Company may choose to settle the matter, due to the associated costs and risk of continuing. The Company believes it is not possible to determine whether a loss will be incurred, or to estimate any potential losses, that would be material to the financial statements. Based on current information, management believes that the resolution of matters currently pending will not have a material adverse impact on the financial condition or cash flows of the Company.

13. Recent Accounting Pronouncements:

We have reviewed accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. We believe that the following impending standards may have an impact on our future filings. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-01, Topic 105 Generally Accepted Accounting Principles amendments based on Statement of Financial Accounting Standards No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. This ASU reflected the issuance of FASB Statement No. 168. This Accounting Standards Update amends the FASB Accounting Standards Codification for the issuance of FASB Statement No. 168, The FASB Accounting Standards Codification TM and the Hierarchy of Generally Accepted Accounting Principles. This Accounting Standards Update includes Statement 168 in its entirety, including the accounting standards update instructions contained in Appendix B of the Statement. The Codification does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. The Codification is effective for interim and annual periods ending after September 15, 2009, and as of the effective date, all existing accounting standard documents will be superseded. The Codification is effective for us in the third quarter of 2009, and accordingly, our Quarterly Report on Form 10-Q for the quarter ending September 30, 2009 and all subsequent public filings will reference the Codification as the sole source of authoritative literature.

In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-02, *Omnibus Update Amendments to Various Topics for Technical Corrections.* This omnibus ASU detailed amendments to various topics for technical corrections. The adoption of ASU 2009-02 will not have a material impact on our condensed financial statements.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-03, *SEC Update Amendments to Various Topics Containing SEC Staff Accounting Bulletins.* This ASU updated cross-references to Codification text. The adoption of ASU 2009-03 will not have a material impact on our condensed financial statements.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-04, *Accounting for Redeemable Equity Instruments Amendment to Section 480-10-S99.* This ASU represents an update to Section 480-10-S99, *Distinguishing Liabilities from Equity*, per Emerging Issues Task Force Topic D-98, Classification and Measurement of Redeemable Securities. The adoption of ASU 2009-04 will not have a material impact on our condensed financial statements.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820) Measuring Liabilities at Fair Value.* This Accounting Standards Update amends Subtopic 820-10, Fair Value Measurements and Disclosures - Overall, to provide guidance on the fair value measurement of liabilities. The adoption of ASU 2009-05 is not expected to have a material impact on our condensed financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-06, *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities.* This Accounting Standards Update provides additional implementation guidance on accounting for uncertainty in income taxes and eliminates the disclosures

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-07, *Technical Corrections to SEC Paragraphs*. This Accounting Standards Update corrected SEC paragraphs in response to comment letters. The adoption of ASU 2009-07 will not have material impact on our condensed financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-08, *Earnings Per Share Amendments to Section 260-10-S99.* This Codification Update represents technical corrections to Topic 260-10-S99, Earnings per Share, based on EITF Topic D-53, Computation of Earnings Per Share for a Period that Includes a Redemption or an Induced Conversion of a Portion of a Class of Preferred Stock and EITF Topic D-42, The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock. The adoption of ASU 2009-08 will not have material impact on our condensed financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-09, *Accounting for Investments-Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees*. This Accounting Standards Update represents a correction to Section 323-10-S99-4,

Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee. Section 323-10-S99-4 was originally entered into the Codification incorrectly. The adoption of ASU 2009-09 will not have material impact on our condensed financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-10, *Financial Services-Brokers and Dealers: Investments-Other, Amendment to Subtopic 940-325*. This Accounting Standards Update codifies the Observer comment in paragraph 17 of EITF 02-3, Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management. The adoption of ASU 2009-10 will not have material impact on our condensed financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-11, *Extractive Activities-Oil and Gas, Amendment to Section 932-10-S99*. This Accounting Standards Update represents a technical correction to the SEC Observer comment in EITF 90-22, Accounting for Gas-Balancing Arrangements. The adoption of ASU 2009-11 will not have material impact on our condensed financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-12, Fair Value Measurements and Disclosures (Topic 820), Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent). This Accounting Standards Update amends Subtopic 820-10, Fair Value Measurements and Disclosures Overall, to provide guidance on the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The adoption of ASU 2009-12 will not have material impact on our condensed financial statements.

14. Subsequent Events:

The Company entered into a Regulation S distribution agreement on January 14, 2009 which replaced the Regulation S distribution agreement entered into on November 29, 2008. The total of up to 20,000,000 shares of restricted common stock to be offered remained the same. The shares sold will be offered on the lower of the closing bid price for the Company s stock as quoted on the NASDAQ Bulletin Board on the date prior to the trade date or the closing price of said shares minus an original offering discount of 15%. The agreement terminates on December 31, 2009 unless extended in writing by both parties. The agreement may also be terminated at any time with 21 days written notice by the Company.

During the first quarter of 2009, the Company has been named in a legal action by a former employee. See note 12, Legal Matters for a discussion of this event. In October 2009, the Company entered into a settlement to terminate the legal action. The settlement of the legal action did not have a material adverse impact on the financial condition or cash flows of the Company.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operation or Plan of Operation.

Cautionary Notice Regarding Forward Looking Statements

The information contained in Item 2 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results may materially differ from those projected in the forward-looking statements as a result of certain risks and uncertainties set forth in this report. Although management believes that the assumptions made and expectations reflected in the forward-looking statements are reasonable, there is no assurance that the underlying assumptions will, in fact, prove to be correct or that actual results will not be different from expectations expressed in this report.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. This filing contains a number of forward-looking statements which reflect management s current views and expectations with respect to our business, strategies, products, future results and events, and financial performance. All statements made in this filing other than statements of historical fact, including statements addressing operating performance, events, or developments which management expects or anticipates will or may occur in the future, including statements related to distributor channels, volume growth, revenues, profitability, new products, adequacy of funds from operations, statements expressing general optimism about future operating results, and non-historical information, are forward looking statements. In particular, the words believe, expect, intend, anticipate, estimate, variations of such words, and similar expressions identify forward-looking statements, but are not the exclusive means of identifying such statements, and their absence does not mean that the statement is not forward-looking. These forward-looking statements are subject to certain risks and uncertainties, including those discussed below. Our actual results, performance or achievements could differ materially from historical results as well as those expressed in, anticipated, or implied by these forward-looking statements. We do not undertake any obligation to revise these forward-looking statements to reflect any future events or circumstances.

Readers should not place undue reliance on these forward-looking statements, which are based on management s current expectations and projections about future events, are not guarantees of future performance, are subject to risks, uncertainties and assumptions (including those described below), and apply only as of the date of this filing. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors which could cause or contribute to such differences include, but are not limited to, the risks to be discussed in our Annual Report on form 10-K and in the press releases and other communications to shareholders issued by us from time to time which attempt to advise interested parties of the risks and factors which may affect our business. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include but are not limited to: general economic, financial and business conditions; changes in and compliance with governmental regulations; changes in tax laws; and the costs and effects of legal proceedings. For example, a few of the uncertainties that could affect the accuracy of forward-looking statements include:

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An abrupt economic change resulting in an unexpected downturn in demand;

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Governmental restrictions or excessive taxes on our products;

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Over-abundance of companies supplying energy conserving products and services;

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Economic resources to support the retail promotion of new products and services;

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Expansion plans, access to potential clients, and advances in technology; and

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Lack of working capital that could hinder the promotion and distribution of products and services to a broader based business and retail population.

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Introduction

EClips Energy Technologies, Inc. (referred to as the Company , ECET , or in the first person notations of we, us, our) began operations in 1984 under the corporate name of Professional Technical Systems, Inc. (PTS). PTS merged with WESI in November 2005 (the November 2005 Merger) with WESI being the legal acquirer but PTS being the accounting acquirer and subsequently changed business name to EClips Energy Technology, Inc.

The Company manufactures and sells transient voltage surge suppressors and related products and commercial and residential energy-saving equipment and applications to distributors and customers throughout the United States. Although this activity is expected to continue, the Company plans to implement a new business model to market a multi-product package to commercial, industrial and residential facilities in order to lower their overall cost of electric, gas and water of these facilities. The Company plans to market its package both by direct sales as well as a Shared Revenue Program (SRP) where the Company pays for the entire installation cost of the product package in return for payments of a percentage of the savings realized by the facilities using the product package. This new business model is expected to increase revenues and profits for the Company. The Company also intends to aggressively develop and market its H^2O technology and its pure air technology.

Selected Historical Data		September 30, 2009		September 30, 2008
Revenue	$	260,992	$	356,183
Total Operating Expenses		1,329,723		5,105,707
Income (Loss) From Operations		(1,258,181)		(4,935,244)
Other Income (Expense)		(3,027)		(13,454)
Benefit (Provision For Income Taxes)		-		-
Net Loss		(1,261,208)		(4,948,698)
Net Income (Loss) Per Share Of Common Stock		(0.27)		(13.27)

Results of Operations

For the three and nine months ended September 30, 2009 and 2008

Revenues

Total product sales were $61,266, $132,878, $260992, and $356183 for the three and nine months ended September 30, 2009 and 2008, respectively. The Company has had decreased sales, due to decrease in product orders, believed to be from the decrease in housing construction and other general economic conditions. Gross profit on sales has deteriorated in the comparative three month periods, due to increased costs and the reduced production cycle has increased the direct labor and overhead burdens, negatively affecting the gross margins.

Operating Expenses

Our operating expenses for the three months ended September 30, 2009 was $285,947 and $658,234, respectively. The decrease in the three month period ended September 30, 2009 is a direct result in reduced spending and reduction of non-cash, stock-based compensation less than the comparative period.

Our operating expenses for the nine months ended September 30, 2009 and 2008 was $1,329,723 and $5,105,707, respectively. The 2008 expense included the non-cash impairment loss charge of $3,264,000. If the impairment loss is excluded from the September 30, 2008 operating expenses, the operating expenses for both nine month periods would be comparable.

We expect significant increases in future consulting, salary and research and development expenses as a result of the development and launch of our new product offering (the Pure Air solution).

Net Loss

Net losses incurred in all periods presented have been primarily due to the operating costs. These expenses resulted in the net losses in the amount of $252,717, $595,461, $1,261,208 and $4,948,698 for the three and nine months end September 30, 2009 and 2008 respectively. The variances in the year over year net loss was due primarily from operating expenses, as described above. At this time, normal costs of public filing will continue, which requires significant expenditures for professional expense, and it is not known when significant revenues will occur to off-set these expenses. Additionally, in efforts to find alternative credit, the Company has had the necessity to issue common stock in payment of critical services. The costs incurred may not be indicative of the costs, had conventional payment methods been available.

Liquidity and Capital Resources

The cash used in operating activities for the nine months ended September 30, 2009 was less than the cash used in the same period for 2008 by approximately $1,004,000. Gross profit from sales reduced from prior year comparative financials. General and administrative expenses and operating expenses, excluding non-cash charges of impairment and stock-based compensation, remained reasonably consistent.

We do not believe our working capital is sufficient to implement the full spectrum of our planned, new energy-saving business model. Operations in 2008 and most of 2007 have been funded in large part through the sale of common stock and such funding will need to continue in order to allow us to implement our new business model. The Company has been successful in acquiring certain services through consulting agreements that are funded in large part through the issuance of common stock as noted above. However, the Company currently is offering its stock through a private placement memorandum. The Company plans to raise additional capital through the sale of common stock. The proceeds from the sale will be used to fund research and development consulting and professional fees, new job installs, other expenses and for working capital.

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Subsequent Events

The Company entered into a Regulation S distribution agreement on January 14, 2009 which replaced the Regulation S distribution agreement entered into on November 29, 2008. The total of up to 20,000,000 shares of restricted common stock to be offered remained the same. The shares sold will be offered on the lower of the closing bid price for the Company s stock as quoted on the NASDAQ Bulletin Board on the date prior to the trade date or the closing price of said shares minus an original offering discount of 15%. The agreement terminates on December 31, 2009 unless extended in writing by both parties. The agreement may also be terminated at any time with 21 days written notice by the Company.

During the first quarter of 2009, the Company has been named in a legal action by a former employee. See note 12, Legal Matters for a discussion of this event. In October 2009, the Company entered into a settlement to terminate the legal action. The settlement of the legal action did not have a material adverse impact on the financial condition or cash flows of the Company.

Recent Accounting Pronouncements

The Financial Accounting Standards Board and other standard-setting bodies issued new or modifications to, or interpretations of, existing accounting standards during the year. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation s reported financial position or operations in the near term. These recently issued pronouncements have been addressed in the footnotes to the financial statements.

Critical Accounting Policies

The results of operations are based on preparation of financial statements in conformity with accounting principles generally accepted in the United States. The preparation of financial statements requires management to select accounting policies for critical accounting areas as well as estimates and assumptions that affect the amounts reported in the financial statements. The Company s accounting policies are more fully described in Note 1 to Notes of Financial Statements found in the Company s annual financial statements filed with Form 10-K. We have identified the following accounting policy and related judgment as critical to understanding the results of our operations.

The Company prepares its financial statements in conformity with generally accepted accounting principles in the United States of America. These principals require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates.

The Company issues restricted stock to consultants for various services. Cost for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete.

Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets.

The Company evaluates deferred tax assets for future realization and reduced by a valuation allowance to the extent we believe a portion will not be realized. We consider many factors when assessing the likelihood of future realization of our deferred tax assets including our recent cumulative earnings experience, expectations of future taxable income, the carry-forward periods available to us for tax reporting purposes and other relevant factors. At December 31, 2008, our net deferred tax assets are comprised principally of net operating loss carry forwards (NOL s). Classification of deferred tax assets between current and long-term categories is based on the expected timing of realization, and the valuation allowance is allocated on a prorate basis.

We have reflected a valuation allowance of 100%, which resulted in an income tax benefit of zero. The range of possible judgments relating to the valuation of our deferred tax asset is very wide. If we had concluded that the weight of available evidence supported a decision that substantially all of our deferred tax assets may be realized, we would have a substantial income tax benefit in our statement of operations. Significant judgment is required in making this assessment, and it is very difficult to predict when, if ever, our assessment may conclude our deferred tax assets is realizable.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a Smaller Reporting Company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures.

I t e m 4T. Controls and Procedures.

Evaluation of disclosure controls and procedures

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company s internal control over financial reporting is a process designed under the supervision of the Company s Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company s financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of September 30, 2009. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of the end of such period are not effective due to the Company s limited internal resources and lack of ability to have multiple levels of transaction review. Through the use of external consultants and the review process, management believes that the financial statements and other information presented herewith are materially correct.

The Company s disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. However, the Company s management, including its Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

(b) Changes in Internal Controls.

The Company s management, including the Chief Executive Officer, Director, and Chief Financial Officer (Principal Accounting and Financial Officer), confirm that there was no change in the Company s internal control over financial reporting during the quarter ended September 30, 2009 that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time the Company may be a party to litigation matters involving claims against the Company. In the first quarter of 2009, a suit has been brought against the company by a former employee regarding a terminated employment agreement. The Company believes it has a strong defense in all significant matters of the case. However, this matter may result in an adverse judgment or award, or the Company may choose to settle the matter, due to the associated costs and risk of continuing. The Company believes it is not possible to determine whether a loss will be incurred, or to estimate any potential losses, that would be material to the financial statements. Based on current information, management believes that the resolution of matters currently pending will not have a material adverse impact on the financial condition or cash flows of the Company. In October 2009, the Company entered into a settlement to terminate the legal action. The settlement of the legal action did not have a material adverse impact on the financial condition or cash flows of the Company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three month period ending September 30, 2009, the Company issued unregistered shares of its common stock as set forth in the table below.

Date	Name	Total Dollar Amount	Price per Share	Total Number of Shares
05/07/09	UTEK Corporation	--	--	55,118,111
06/29/09	UTEK Corporation	--	--	238,853,503
09/14/09	Benjamin C. Croxton	--	--	50,000,000

All sales of shares of common stock identified in the table above were made pursuant to Section 4(2) of the 1933 Act. The proceeds of the sale of these securities are to provide operating capital and development costs.

On February 13, 2009, the Company sold 1,500,000 shares of its restricted Series D Preferred Stock (the Preferred Stock) to our Chief Executive Officer, Benjamin C. Croxton. The aggregate offering price for the shares was $8,256.50. The issuance of the restricted Preferred Stock and the consideration received by the Company were approved by the Board of Directors at a meeting on February 10, 2009. The shares of restricted Preferred Stock were issued in a private transaction pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On June 10, 2008, the Company acquired Advanced Alternative Energy, Inc. (AAEI) in a tax free stock for stock exchange. AAEI was incorporated in the State of Florida on May 20, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series B Convertible Preferred Stock to UTEK Corporation in exchange for 100% of the issued and outstanding shares of AAEI, assignment of an exclusive technology license for the production and preparation of mechanically and electrochemically stable electrodes and transition metal oxide catalysts; prepaid consulting fees, for a technical consulting agreement related to the license, and $200,000 cash.

The preferred shares may be converted by the holder at any time into common stock prior to the sixty month anniversary of the execution of the agreement into the value of $3,500,000 of common shares of the Company, based on the average of the five day closing price prior to the conversion. At any time after six months and before the sixty month anniversary of the execution of the agreement, the Company will have the right, at its sole discretion, to repurchase at an agreed upon percentage value, any non-converted shares of the Series B Convertible Preferred Stock. The 100,000 shares of preferred stock were converted into 367,454 (55,118,111 pre-reverse split) shares of common stock on May 7, 2009.

On September 26, 2008, the Company acquired H-Hybrid Technologies, Inc. (HHTI) in a tax-free stock for stock exchange. HHTI was incorporated in the State of Florida on September 18, 2008. As consideration for the agreement, the Company issued 100,000 shares of Series C Convertible Preferred Stock to UTEK Corporation and 33,333 (5,000,000 pre-reverse split) unregistered common shares to Hydrogen Technology Application, Inc. (HTA) in exchange for 100% of the issued and outstanding shares of HHTI and assignment of an exclusive technology license for the use of three patents and one patent applied for but not yet issued.

The Series C Convertible Preferred Stock has no voting rights, no liquidation preferences and no dividend rights. The holder may convert the Series C Convertible Preferred Stock at any time into common stock prior to the sixty-month anniversary of the execution of the agreement. The 100,000 shares of Series C Convertible Preferred Stock is convertible into $3,750,000 of our common shares, based on the average of the five-day closing price prior to the conversion. The 100,000 shares of preferred stock were converted into 1,592,356 (238,853,503 pre-reverse split) shares of common stock on June 29, 2009.

The Company sold fifty million (50,000,000) shares of its common stock on September 15, 2009. The Company sold the Shares in exchange for forgiveness of accrued salary in the amount of fifty thousand dollars ($50,000) due to a Company employee. The Shares were sold pursuant to the transaction exemption from registration in Section 4(2) of the Securities Act of 1933. The Shares were sold to an affiliated person who is a sophisticated investor. The shares were valued at the fair market value of the shares at $120,500, representing an additional $70,500 of stock-based compensation, recognized in the quarter ending September 30, 2009.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted during the quarter ending September 30, 2009, covered by this report to a vote of our shareholders, through the solicitation of proxies or otherwise.

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Item 5. Other Information.

None

Item 6. Exhibits.

Exhibit Number

Location

and Description

Reference

(a) Reports of Independent Certified Accountants

Filed Herewith

(b) Financial Statements

Filed Herewith

(c) Exhibits required by Item 601, Regulation S-K:

(2.0)

Plan of purchase, sale, reorganization, arrangement,

liquidation, or succession

(2.1)

Agreement and Plan of Merger Between

See Exhibit Key

Registrant and World Energy Solutions, Inc

(2.2)

Agreement and Plan of Merger Between

See Exhibit Key

Registrant and Professional Technical

Systems, Inc.

(3.0) Articles of incorporation and by-laws

(3.1)

Initial Articles of Incorporation filed

See Exhibit Key

November 23, 1998.

(3.2)

Amended and Restated Articles of Incorporation

See Exhibit Key

Filed March 17, 2009.

(3.3)

By-Laws filed November 23, 1998.

See Exhibit Key

(4.0)

Instruments defining the rights of security

holders, including indentures

(4.1)

Specimen Share Certificate for Class A

Convertible Preferred Stock

See Exhibit Key

(4.2)

Specimen Certificate for Class B Convertible

Preferred Stock

See Exhibit Key

(4.3)

Specimen Certificate for Class C Convertible

Preferred Stock

See Exhibit Key

(4.4)

Specimen Certificate for Class D Convertible

Preferred Stock

See Exhibit Key

(4.5)

EClips Energy Technologies, Inc.

Stock Grant and Option Plan 2008, as amended

See Exhibit Key

(10.0)

Material Contracts

(10.1)

Strategic Alliance Agreement Between

See Exhibit Key

the Company and UTEK Corporation.

(10.2)

Employment Agreement with Benjamin Croxton

See Exhibit Key

dated January 31, 2006.

(10.3)

Employment Agreement with Mike Prentice

See Exhibit Key

dated January 31, 2006.

(10.4)

Agreement and Plan of Acquisition with UTEK

See Exhibit Key

Corporation, dated October 11, 2006.

(10.5)

Agreement and Plan of Acquisition with UTEK

See Exhibit Key

Corporation, dated September 28, 2007.

(10.6)

Agreement and Plan of Acquisition with UTEK

See Exhibit Key

Corporation, dated June 11, 2008.

(11.0)

Statement re: Computation of Per Share Earnings

Note 1

to Financial Statements

(14.0)

Code of Ethics

See Exhibit Key

(16.0)

Letter on changes in certifying accountant

None

(18.0)

Letter on change in accounting principles

None

(31.0)

Certification pursuant to 18 U.S.C. Section 1350,

Filed Herewith

as adopted pursuant to Section 302 of the

Sarbanes-Oxley Act of 2002

(32.0)

Certification pursuant to 18 U.S.C. Section 1350,

Filed Herewith

as adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

(99.0)

Additional exhibits

None

(d)

Reports on Form 8-K

During the quarter ending September 30, 2009, the Company filed the following Form 8Ks:

July 30, 2009

Item 5.02 Departure of Certain Directors

August 26, 2009

Item 8.01 Other Events - Reverse Stock Split

September 21, 2009

Item 3.02 Unregistered Sales of Equity Securities

Exhibit Key

2.1

Incorporated by reference to the Company's Form 8-K filed with the

Securities and Exchange Commission on August 19, 2005.

2.2

Incorporated by reference to the Company's Form 8-K filed with the

Securities and Exchange Commission on November 14, 2005.

3.1

Incorporated by reference to the Company s Form 10SB 12G filed with

the Securities and Exchange Commission on November 23, 1998.

3.2

Incorporated by reference to the Company's Form S-8 filed with the

Securities and Exchange Commission on March 25, 2009.

3.3

Incorporated by reference to the Company s Form 10SB 12G filed with

the Securities and Exchange Commission on November 23, 1998.

4.1

Incorporated by reference to the Company s Form 10KSB filed with

the Securities and Exchange Commission on April 2, 2007.

4.2

Incorporated by reference to the Company s Form S-8 filed with the

Securities and Exchange Commission on November 26, 2008.

4.3

Incorporated by reference to the Company s Form S-8 filed with the

Securities and Exchange Commission on November 26, 2008.

4.4

Incorporated by reference to the Company's Form S-8 filed with the

Securities and Exchange Commission on March 25, 2009.

4.5

Incorporated by reference to the Company's Form S-8 filed with the

Securities and Exchange Commission on March 25, 2009.

10.1

Incorporated by reference to the Company's Form 8-K filed with the

Securities and Exchange Commission on September 13, 2005.

10.2

Incorporated by reference to the Company s Form S-8 filed with the

Securities and Exchange Commission on January 31, 2006.

10.3

Incorporated by reference to the Company s Form S-8 filed with the

Securities and Exchange Commission on January 31, 2006.

10.4

Incorporated by reference to the Company s Form 8-K filed with the

Securities and Exchange Commission on October 17, 2006.

10.5

Incorporated by reference to the Company s Form 8-K filed with the

Securities and Exchange Commission on October 5, 2007.

10.6

Incorporated by reference to the Company s Form 8-K filed with the

Securities and Exchange Commission on June 18, 2008.

14.1

Incorporated by reference to the Company s Form 10KSB filed with

the Securities and Exchange Commission on April 2, 2007.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

ECLIPS ENERGY TECHNOLOGIES, INC.

Date: November 16, 2009

By: /s/: BENJAMIN C. CROXTON

BENJAMIN C. CROXTON,

Chief Executive Officer

Chief Financial Officer, Director