

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-K

(Mark One)

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

For the fiscal year ended: August 31, 2017

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

Commission File No.: 000-53598

SAUER ENERGY, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Nevada

26-3261559

(State or Other Jurisdiction of Incorporation or Organization)

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

1620 Emerson Avenue, Oxnard, CA 93033

(Address of Principal Executive Offices)

888-829-8748

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$0.001

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period

that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (s 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes No

Emerging Growth Company

If an emerging growth company, indicate by check mark if registrant has elected not to extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Security Act. YES 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 filer. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated Filer Smaller reporting company

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of August 31, 2017: \$5,385,119

The number of shares of the registrant's common stock outstanding as of December 14, 2017:
384,637,901

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FORWARD-LOOKING STATEMENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS There are statements in this report that are not historical facts. These forward-looking statements can be identified by use of terminology such as believe, hope, may, anticipate, should, intend, plan, will, expect, estimate, project, positioned, strategy and similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. For a discussion of these risks, you should read this entire Report carefully, especially the risks discussed under Risk Factors. Although management believes that the assumptions underlying the forward-looking statements included in this Report are reasonable, they do not guarantee our future performance, and actual results could differ from those contemplated by these forward-looking statements. The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. In the light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking statements contained in this Report will in fact transpire. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We do not undertake any obligation to update or revise any forward-looking statements.

PART I

References to “us”, “we” and “our” in this report refer to Sauer Energy, Inc. together with our subsidiary.

ITEM 1. BUSINESS.

General Development of Business

Organizational History

Business Development:

We (“the Company”) were incorporated on August 19, 2008, in the State of Nevada, under the name BCO Hydrocarbon, Ltd., for the purpose of acquiring, exploring, and if warranted and feasible, developing natural resource assets. The Company began its business operations by executing a Farm-in Agreement providing the Company with the right to a 50.0% working interest in two Petroleum and Natural Gas Crown leases in Alberta, Canada. On July 25, 2010 the Company acquired all of the shares of Sauer Energy, Inc., a California corporation, and has since changed its business to that of Sauer Energy, Inc. On September 17, 2010 our majority shareholder and sole director approved a name change which was officially effected on October 15, 2010, when we became Sauer Energy, Inc., (“SEI”) a Nevada corporation.

Prior Operations:

The Company operated in the oil and gas industry and maintained a right to operate and a right to explore on two Crown Petroleum and Natural Gas Leases in the Province of Alberta through. The leases were for 640 gross acres or 320 net acres. The Company planned to appoint, Unitech as the operator, but Unitech advised the Company that the commodity price of gas was too low to consider undertaking any exploration activities. Based on that advice, the Company determined not to undertake any exploration activities on the leases until such time as the price of gas improved. We were required under the terms of our farm-in agreement to expend a total of \$25,000 prior to January 10, 2010, however, based on the advice from our proposed operator, we were able to negotiate an extension of that commitment until gas prices should improve sufficiently to make exploration development activities advisable.

After July 25, 2010, we were able to dispose of our interests in these Crown Petroleum Natural Gas Leases without further liability to us. Due to the limited prospects of its proposed oil and gas activities, the Company sought other acquisition activities and these efforts led to the acquisition of Sauer Energy, Inc. on July 25, 2010.

Acquisition of Sauer Energy, Inc. and Related Matters

On July 25, 2010, the Company, Malcolm Albery, its president and sole director (“MA”) and Dieter Sauer, Jr. (“DS”) completed a closing (the “Closing”) under an Agreement and Plan of Reorganization, dated as of June 23, 2010 (the “Agreement”). The Agreement, provided: (a) for the purchase by DS of all of the 39,812,500 shares of the Company owned by MA for \$55,200.00; (b) the contribution by DS of all of the shares of Sauer Energy, Inc., a California corporation to the Company; (c) the assignment of certain patent rights related to wind turbine technology held by DS to the Company; and (d) the election of DS to the Company’s board of directors. In connection with the Closing, Mr. Sauer was elected President and CEO of the Company and two former shareholders of the Company agreed to (i) indemnify the Company against any claims resulting from breaches of representations and warranties by the Company in the Agreement; (ii) to acquire and cause to be returned for cancellation an aggregate of 68,067,500 shares of the Company’s common Stock, including all of the shares owned by former officer and director Daniel Brooks and; (3) assume all of the Company’s obligations in connection with certain oil and gas leases in Canada.

Due to his acquisition of 39,812,500 shares in connection with the Closing and the return for cancellation of 68,067,500 shares, upon the consummation of the closing under the Agreement, Dieter Sauer, Jr. owned approximately 51.6% of the Company’s issued and outstanding shares.

When acquired by BCO in 2010, Sauer Energy, Inc., a California corporation, whose business is described more fully below, was a California corporation formed in 2008 engaged in the design, research and development of vertical axis wind turbine (VAWT) systems. Sauer Energy, Inc., a California corporation, has been wound down and dissolved as of August, 2012. The surviving entity is Sauer Energy, Inc., (“SEI”), a Nevada corporation.

Management believes that SEI’s innovative design and utility makes it highly efficient and cost effective to own and operate. The initial product for release will be the WindCutter, which was designed using the Darrieus principle. These turbines have five aerodynamic airfoils, a proprietary axial-flux permanent

magnet generator (PMG) and are pole mounted. Our concept was engineered for durability and simplicity of on-site assembly and installation.

The certification process was completed with ATA Engineering, Inc. (ATA). The WindCutter was designed to International Electrotechnical Commission Small Wind Turbine International Standards (IEC). Proving reliability of the turbine by analysis and testing, it was subjected to a variety of normal operational as well as abnormal event conditions. It has passed the rigorous testing, as expected. We chose to enter the certification process because it would give us the edge over competitors and ensure the performance and quality that our customers deserve. We are in the process of domestic and global marketing efforts and in the process of bringing in sales to fulfillment.

Growing energy demand, limited availability of non-renewable fossil fuels, heightened climate change concerns and volatile oil and gas prices have all contributed to the increased demand for renewable energy by individuals, businesses, government and non-government organizations worldwide. Sauer Energy is a renewable energy company engaged in the design and manufacture of small wind turbines that generate clean energy to power residential and commercial customers. We promote energy independence through the use of wind power, an abundant, never ending, renewable, emissions-free energy source that can be captured in small and large scale applications.

We are also focused on the development of products and technologies and promote transparency and accountability.

Sauer Energy developed a multi-faceted growth strategy that takes advantage of the company's relationships with experts in engineering, manufacturing, distribution, marketing and branding. These resources have vast experience in the wind energy sector and they make themselves available to us as independent contractors on an as-needed basis. The key focus factors for the future:

- To become a revenue and profit based operation
- Expansion and development of product portfolio
- A two-tiered sales approach with intensive marketing strategy to targeted customer base.
- Maintaining a cost-effective approach with each vertical market
- Expansion from domestic to global markets
- For SENY stock to move to higher trading platform, e.g. NASDAQ, AMEX, etc.

Proof of Concept

To validate the performance of the WindCutter, Sauer Energy had ATA Engineering, Inc., conduct extensive certification testing and analysis as evidence of its outstanding design, strength, performance and safety. The data gathered has validated the efficiency and viability of the design.

Extruded aluminum blades provide outstanding rigidity as well as better weight distribution and uniformity throughout the blades. The aluminum is anodized for weather resistance and added durability. The aluminum extrusion process has tighter tolerances, better consistency of weight distribution, balance and is extremely cost-effective. It is less expensive in the long run because it has a longer life than composites and also because of its compatibility with the support structure. The WindCutter has achieved maximized performance utility with its proprietary, direct-drive, axial-flux (PMG) that was expressly designed to work in tandem with it.

Our design is based on the Darrieus Gyromill or H-rotor, because our airfoils are asymmetrical and they are straight. Five long, vertical blades are attached to the rotor with a horizontal support system. The airfoil blades use the principle of lift to rotate the shaft, much like the wings on an airplane. This motion spreads the torque evenly over the entire revolution. This type of airfoil has very high efficiency in its conversion of wind to energy, due to its ability to manage turbulent winds at rooftop heights and above, giving it a superior advantage. The lift principle differs from the drag principle because it causes the blades to move at a rate much faster than actual wind speed, known as tip speed ratio.

We have a total of three different prototype designs: WindCutter, WindCharger and WindRider. The WindCharger and WindRider are going through different stages of development.

In the past twenty years, turbine designs have changed radically. Management believes that the WindCutter is bird friendly because SEI VAWTs are much smaller, have a much slower rotation, less space between the blades and birds can easily navigate around them.

Business Model

Sauer Energy's business model is straight-forward as it had substantially planned the major part of the manufacturing functions to be done within its corporate headquarters. The control factor on cost and labor will be to the Company's advantage. The Company's vendor manufacturers are ISO 9000 and/or ISO 9001 Certified. SEI will maintain quality control, assembly, testing, shipping and handling as orders flow in.

Corporate Expansion

We are in a production facility, which is significantly larger than the one we occupied initially. In anticipation of the machines we will need for production and the inventory we will have to house, management feels the present building can meet our growing needs.

We are organizing the implementation of marketing campaigns for impending sales. We have received communications from all over the world expressing the enormous need that exists and the desire to purchase our wind turbines.

The WindCutter turbine is our first product release. Management believes that the demand for it will rise sharply because there is not another VAWT in its class that has achieved the certification analysis accreditation yet.

On May 11, 2012, we purchased 100% of the assets of Helix Wind Corporation ("Helix"). This acquisition was made with SENY common shares. There was no liability, obligation or debt incurred in the process. Through the purchase, we enhanced our intellectual property portfolio list with all of Helix's intellectual property, including issued patents and patents pending, both domestically and internationally. It is our intention to produce the WindRider turbines, the re-engineered Helix turbines, in-house. We believe that our business plan will be strengthened and this union will create long term synergy as one company. They are expected to produce an additional stream of income for SEI. With sales in 17 countries, we have reason to believe Helix's popularity will not wane. To date, we have received inquiries totaling over \$21M for our products, but not all of these inquiries can be expected to result in actual sales.

With regard to the WindCharger, although we had previously agreed to outsource the manufacturing process to VEC Technologies, LLC (“VEC”) in Pennsylvania, we discovered that the Pennsylvania VEC plant was shut down, thus negating all plans to outsource the manufacturing process to VEC. Accordingly, we have decided to wait until the WindRider is being distributed and installed before we begin the manufacturing process, marketing and distributing the WindCharger.

Intellectual Property

SEI currently holds what it believes is sufficient intellectual property to protect its proposed operations. SEI regards its patents, proprietary technologies, intellectual property, trademarks, domains and copyrights as essential components to its success and branding.

SEI has been issued a design patent, a utility patent, No 7,798,766, granted September 21, 2010, a design patent, No D638,358, granted May 24, 2011, and a utility patent, No 8,779,616, granted on July 15, 2014, for a vertical axis wind turbine that is designed to be reliable, efficient and inexpensive through the process of which was started before the acquisition. In addition, SEI is in process for several patents pending, domestically and internationally, and trademarks at the present time.

Resulting from the HelixWind asset purchase, SEI, acquired a utility patent, No 7,984,110, granted May 24, 2011, a utility plus a utility patent, No 8,084,881, granted December 27, 2011, and a utility patent, No 8,779,616, granted on July 15, 2014, for a vertical axis wind turbine that is designed to be pole mounted, and SEI is continuing the patent process on behalf of the Helix design for several domestic and international patents.

Current Operations and Development Plan

Despite having no revenues since inception, Sauer Energy has differentiated itself from other entities in small wind because of the following:

- a. Rather than incurring the cost of full-time employees, we have forged relationships with like-minded and devoted independent contractors who are experts in the small wind sector and are available to help us on a consulting basis;
- b. Ownership of technology – many others buy foreign-made units for resale;
- c. The technology itself is set apart by high-efficiency design features;
- d. Our engineering consultants have a deep technical understanding of small wind technologies and applications due to years as experts in the small wind sector;
- e. High quality outsourced manufacturing that is done by companies that are ISO 9000 compliant;
- f. Strong distribution network now being assembled;
- g. Commitment to customers and shareholders;
- h. Unwavering focus on business fundamentals.

Our intended market

Sauer Energy aims to deliver simple, reliable and cost-effective solutions for residential and commercial customers, particularly for locations with very low or very high wind speeds. Applications range from industrial to residential. Placement, aesthetics, adaptability and portability will dictate which units are appropriate and most efficient for use in different situations. SEI will continue to develop and expand its pipeline with new research and development and collaborative efforts.

Current Plans

The main focus for SEI is generating revenues. SEI plans to become a self-sustaining entity. The availability of funding from revenues is expected to enable SEI to develop its other products for release.

The launching of its WindCutter has begun. We have received many inquiries for the WindCutter both domestically and internationally for residential and commercial applications. Energy independence is becoming an integral ingredient being woven into the global future. Our sales and marketing campaign is being implemented at this time. The branding and advertising campaign is also being developed.

We still have the WindCharger and WindRider in our future. We must first ensure the availability of both WindCharger and WindRider turbines. With regard to the WindCharger, due to the closing of VEC Technologies, Inc., we are moving ahead with the WindCutter until such time as another manufacturer has been located and vetted. Potential orders were received via website. SEI plans to work diligently toward testing, verifying, enhancing the performance of and developing the expertise to produce these units domestically.

There are also future plans for the creation of other energy solution products. Sauer Energy is addressing some small wind solutions for very specific applications and is already involved in testing for redundant backup power for both on-grid and off-grid applications for cell phone towers.

Residential

Some of our small VAWT Systems are being designed to be customized to fit almost any building. We foresee our systems being used in residences as back-up power for black outs, to reduce power grid consumption and for generation of power to be inserted into the grid for revenue.

Our End-of-the-line turbine system is a micro power station attached to a number of homes and to the power grid. Several advantages are: maintenance of normal services, no power loss due to impurities in transmission and the excess power can be re-injected into the grid.

Commercial Applications

Due to their height, large commercial buildings may be especially suitable for turbine application as they are likely to have relatively steady winds at their roofs and their vertical walls cause the wind to sweep up and over the tops of the buildings.

SEI entered its WindCharger into a pilot test program headed by an industry leader in communication technology. The proposed use of the turbines was on cell phone towers as backup power. The feedback was positive.

It is our intention to design custom proprietary mounting hardware to the commercial market for adaptation to the structure and architecture of existing buildings.

Industrial Applications

The WindCutter will contribute to allowing the industrial sector to satisfy the need for consumption. Furthermore, due to our simplicity of design, they can be manufactured on a large scale in fabrication factories throughout the world.

Oil Rigs and Off-Shore Platforms

Many off-shore locations receive relatively steady reliable winds and our systems could produce a substantial supply of energy, reducing the need for hydrocarbon based electrical generation. Our systems could allow for auxiliary and emergency power needs in addition to maintaining daily functions.

Ships

Ships create an optimum use for our turbine systems. While travelling over water, ships are also powering through the air, thus creating a reliable and steady supply of wind. Turbines could be mounted throughout a ship's superstructure to produce continuous supplementary energy to offset fuel consumption or for emergency use. Various candidates include tankers, cruise ships, cargo ships and military vessels. For example, Helix turbines can be seen in San Francisco on a ferry that travels to Alcatraz.

Islands and Other Remote Facilities

Many islands are extremely dependent upon fuel feed generators and importation of the fuel can be costly and generate emissions. Our systems are ideal for islands and other remote facilities as they are being designed to withstand various climates. The advantages are many: flexibility in various locations, ease of installation, strength and durability, virtually no maintenance and their ability to withstand harsh climates.

Communications Towers and Bridges

Various towers and bridges are subject to Federal Aviation Authority requirements to provide 24/7, 365 days per year illumination. Our systems can easily be installed on any tower or bridge. They can operate the tower or bridge lights and/or provide a backup power supply while potentially generating revenue if connected to the power grid.

Lighting billboard signage is an ideal use for deriving backup or primary power from our turbines.

Funding

After acquiring BCO Hydrocarbon, SEI has raised approximately \$2.4M. These funds have been used for research and development of the WindCharger. Dieter Sauer, CEO and President of SEI, holds all of the shares that he received at the outset of the BCO and Sauer acquisition and continues to be committed to this project.

Management secured an Equity Purchase Agreement for up to \$3 million from Beaufort Capital Partners, LLC and through October 12, 2015, had availed itself of \$516,520 under this agreement. We were not able to avail ourselves of further funds under this Equity Purchase Agreement after October 31, 2015.

On December 21, 2015, management secured an Equity Purchase Agreement for up to \$3 million from Beaufort Capital Partners, LLC and through June 27, 2016, all the registered shares were sold and the Company had availed itself of \$393,610.

Management secured an Equity Purchase Agreement for up to \$3 million from Beaufort Capital Partners, LLC on July 1, 2016, and through November 16, 2016, has availed itself of \$262,500 under this agreement.

Management secured an Equity Purchase Agreement for up to \$3 million from East Six Opportunity Fund, LLC on May 9, 2017, and through December 14, 2017, has availed itself of \$420,000 under this agreement.

Management can give no assurance that any additional capital will be raised or that SEI's VAWT's will be successfully marketed or that, if marketed, they can be marketed profitably.

Future Projections

There are several ideas on the drawing board at Sauer Energy. The time frame within which they are completed will depend upon the availability of funding for such. A few are mentioned herein:

- SEI has future plans to make the purchase of renewable energy more accessible to consumers in the current economic climate by offering third-party financing options. In SEI's opinion, this will expand the customer base considerably and create a significant advantage.
- SEI plans to offer an around-the-clock monitoring and data collecting system so that customers can access the actual renewable energy output from their particular turbine.
- SEI has plans for automobile solutions that will enhance the performance of electric vehicles by creating electricity as they are driven.
- SEI plans to make compatible batteries available for the turbine systems for off-grid rural applications, such as water pumping, irrigation, purification and delivery for drinking and/or general use.
- SEI plans to further develop its emergency backup cart that provides electricity to charge batteries and for use in communication, lights, medical equipment, etc. Turbine technology was designed for immediate use, the cart can be a welcome addition to the military and to FEMA for emergency and routine use.
- While our initial turbine designs are smaller scale, we may design large VAWT Systems in the future that can be placed off-shore along a coastal environment to catch on and off shore wind. The principles of our VAWT Systems could be used underwater to take advantage of tidal flows in the ocean, streams and rivers.

In addition to the aforementioned applications, there are several emerging markets for small wind solutions that SEI is pursuing as it continues to diversify and broaden its product portfolio. For example,

oil and gas producers have become motivated to adopt renewable energy and we plan to address the need for redundant backup power for pumping at remote well head locations.

Small Wind Turbine Industry Overview

Although wind is the largest source of renewable power in the USA, at 5.5%, according to the American Wind Energy Association (AWEA), management believes that wind has barely begun to penetrate its renewable energy market potential. The percentage of global electricity supplied by wind power is 3.7%, with 341,320 wind turbines spinning around the world at the end of 2016. AWEA also reports that Wind surpassed hydropower dams to become the largest source of renewable electric capacity in the U.S., and the fourth largest overall. Further, wind energy in the U.S. powers over 25 million homes.

“American wind power is now the #1 source of renewable capacity, thanks to more than 100,000 wind workers across all 50 states,” said Tom Kiernan, AWEA CEO, in their February 9, 2017, press release. “Growing this made-in-the-USA clean energy resource helps rural communities pay for new roads, bridges, and schools, while bringing back manufacturing jobs to the Rust Belt. With our two-thirds cost reduction over the last seven years, household brands like General Motors, Walmart, and more are buying low-cost wind energy to cut costs and power their businesses. American wind power is on track to double our output over the next five years, and supply 10 percent of U.S. electricity by 2020.”

The Global Wind Energy Council (GWEC) reports in its publication, *Global Wind Report: Annual Market Update* that in 2016, installed global capacity, including large wind, was more than 55.6 GW. Wind power also avoided over 637 million tonnes of CO2 emissions globally. There were 52,343 turbines in the U.S. at the end of 2016. The record-setting figure represents a 41% increase for 2016.

According to the Department of Energy, *Distributed Wind Market Report* of 2016, the number of small wind manufacturers has also contracted. A total of 31 companies reported U.S. revenues in 2012 compared to 16 in 2013, 11 in 2014, and 10 in 2015.

SEI has entered into a strategic alliance with North Wind Power, Inc. (“NW”), a Canadian corporation located in Newfoundland and Labrador, in eastern Canada. NW has chosen the WindCutter as their primary solution for bringing off-grid power to the Aboriginal communities first, to work in extreme weather conditions and to lower the carbon footprint of diesel in Canada. Negotiations are progressing and management feels that an agreement is in the near future.

Governmental Regulation

There are no Federal-level regulations that specifically control the sale, distribution and installation of small wind turbines beyond general small business regulations. However, each state regulates the sale, installation and interconnection of alternative energy within their state. Utilities are required to interconnect and purchase renewable energy from small wind systems under the Public Utility Regulatory Policies Act of 1978 (“PURPA”), and individual utilities are permitted to regulate that process.

Rebates and incentives are offered by most states, some by utility companies and some are state and/or federal rebates or tax credits. Although net-metering is not mandatory, it can assist states in meeting their renewable portfolio standards (RPS) or targets. Property owners are also able to depreciate their units.

Local zoning laws and regulations may impose special requirements on the installation of our turbines now or in the future, but we are not aware of any specific regulations.

Competition

SEI has the only turbine in its class to do certification testing and pass. The WindCutter was rigorously tested by ATA Engineering, Inc., and it effectively completed the thorough mechanical engineering review. It successfully met all the criteria per the International Electrotechnical Committee (IEC) Standard IEC 61400-2 for "Small Wind Turbines." It was verified by their high-accuracy engineering analysis to Small Wind Turbine Class 3, which includes sustained 50-year extreme winds of up to 117 mph, as well as worst case gusts stipulated by IEC.

We compete with all energy suppliers, including utilities and manufacturers of energy producing equipment. We are aware of 10 other U.S. small wind turbine companies reporting revenues. A few have longer operating histories or greater name recognition such as Xzeres Corporation, Windside Production Ltd., Windstream Technologies, and Royall Power. Companies in other countries also produce small wind turbines. We also compete with solar-thermal and solar-photovoltaics systems. However, solar power installations are significantly more expensive than our VAWT Systems and we also feel that our turbine systems are a great complement to those who already employ solar systems, as they can work 24 hours and produce electricity at times when solar is ineffective.

Wind is now the largest producer of renewable electricity in the U.S. at 5.5% of overall capacity. In 2016, 1,115,000 jobs were created globally, with over 102,000 of them in the U.S alone. In third quarter, 2017, U.S. installations were over 8,400 MW, according to AWEA. The industry continues to grow.

For the past nine years, the U.S. has emphasized the need for greater energy efficiency and a more diversified energy portfolio. This led to a collaborative effort involving the Department of Energy, National Renewable Energy Laboratories and others to explore a modeled energy scenario in which wind provides 20% of U.S. electricity by 2030 has been endorsed by the American Wind Energy Association and has become our national goal as well. Currently, we are at 5.5% for wind alone.

Management believes we have the competitive advantage of offering the right product at the right time.

Research and Development

We have focused our research and development on the quality and efficiency of our wind turbine systems. Extensive technical development has been completed and is ongoing. We are targeting our market for sales expansion. Future research and development will be focusing on scaling up our turbine systems for service to larger buildings, like apartment complexes, hospitals and office buildings. We spent approximately \$352,000 on research and development in fiscal 2017, and \$215,000 in fiscal 2016. Our primary focus now will be on manufacturing, however, we plan to continue research and development. We do not anticipate that our research and development expenditures will continue to rise in the current year if we are able to secure financing so that we have the resources to begin manufacturing.

We have conducted testing at the local airport in real life wind scenarios. This includes on-grid, off-grid and compatibility of electronics with specific load controls. Results have been analyzed in collaboration with wind industry experts and these are factual net test results. What that means is that our design mirrors the design expectations necessary for certification.

In the year ended August 31, 2011, we conducted third party testing at the University of Washington Aeronautical Laboratory, a testing organization under the University's Department of Aeronautics and Astronautics. The primary aerodynamic testing facility is the F. K. Kirsten Wind Tunnel. We have done our third-party wind tunnel testing at their facility in the past and look forward to utilizing their facility for continued research and development testing.

Manufacturing

Our facility in Oxnard, California, is well suited for our manufacturing needs. Our headquarters is 26,550 square feet, which is about two and a half times larger than the last facility. Administration, distribution, research and development, prototyping, testing, inventory and light manufacturing is able to be done under one roof. Management is optimistic that this facility is adequate for all the necessary operations. Its location is ideal for international shipping needs as well.

We have begun commercial assembly of turbines. We do not plan to manufacture certain components of our wind turbine systems ourselves and we are outsourcing them. Based upon our preliminary review, we anticipate those components will be available from other sources at reasonable prices.

With regard to the WindCharger, although we had previously agreed to outsource the manufacturing process to VEC Technologies, LLC ("VEC") in Pennsylvania, we discovered in August, 2014, that the Pennsylvania VEC plant was being shutdown, thus negating all plans to outsource the manufacturing process to VEC. Accordingly, we have decided to wait until the WindCutter turbines are being distributed extensively before we begin the manufacturing process, marketing and distributing the WindCharger.

Employees

As of August 31, 2017, we had 14 independent contractors. We retain a limited number of independent contractors to perform projects on an "as needed basis". Due to our preliminary early phase operations we have not engaged employees to date, but as we enter the manufacturing stage we anticipate that we will hire employees. We believe our relationships with our current independent contractors are good. To implement our business strategy, we expect, over time, continued growth in our independent contractor and infrastructure requirements, particularly as we expand our engineering, sales and marketing capacities going forward. As the Company begins to record adequate revenues, we will be restructuring and our officers will become employees of the Company.

Company Philosophy

We strive to embrace, support and enact, within our sphere of influence, a set of core values that define us.

Our Duty to Ourselves

With honesty and integrity at the heart of us as individuals and as a company, our sincerity will be evident.

Our Duty to Each Other

Working as a team with fairness and respect for each other and for our company as a whole will always produce a winning combination.

Our Duty to Our Shareholders

Our Shareholders are partnering alongside us and placing their faith in us. They share our expectations and vision for growth and diligent use of their investment in us and in our company.

Our Duty to Our Consumers

This business revolves around the Consumers, not the other way around. We must live up to their trust in the quality, value, effectiveness, reliability, and safety of our products, and also in the integrity of what we say and do.

Our Duty to Our Vendors

The list of those with whom we choose to do business is based on clarity, honesty, reliability, accountability and trust. Only then, will our product maintain the standards we have set for quality and dependability our consumers can expect.

Our Duty to Our Dealers and Distributors

These individuals represent our products and our company and deserve all the assistance we can give them. Their reliance on our honest representations regarding our products and our company sits at the center of our relationship with them.

Our Duty to Our Community, Our Nation, and Our World

Our commitment to the environment is paramount. We strive to create products that are least invasive in their output to the atmosphere, at less cost, with the smallest possible carbon footprint.

Management believes that the foregoing commitments will not only enhance the spheres in which we operate but will also result in returns to our investors.

Item 1A. Risk Factors.

This report includes forward-looking statements about our business and results of operations that are subject to risks and uncertainties. See "Forward-Looking Statements," above. Factors that could cause or contribute to such differences include those discussed below. In addition to the risk factors discussed below, we are also subject to additional risks and uncertainties not presently known to us or that we currently deem immaterial. If any of these known or unknown risks or uncertainties actually occur, our business could be harmed substantially.

Risks Related To Our Financial Condition and Our Business

SEI is in startup stage, has never realized any revenue and has a history of losses. If we continue incurring losses and fail to achieve profitability, we may have to cease our operations. Unless we bring our products to market and realize revenues from their sale, shareholders are likely to lose their entire investment.

We do not have sufficient cash on hand.

As at August 31, 2017, we had \$1,952 cash on hand. These cash resources are not sufficient for us to execute our business plan. If we do not generate sufficient cash from our intended financing activities and sales, we will be unable to continue our operations. We estimate that within the next 12 months we will need \$7,000,000 in cash from either investors or operations. While we intend to engage in several equity or debt financings there is no assurance that these will actually occur. Nor can we assure our shareholders that we will not be required to obtain additional financing on terms that are dilutive of their interests.

On February 27, 2015, we entered into an Equity Purchase Agreement with Beaufort Capital Partners, LLC. On March 17, 2015 we filed an S-1 Registration Statement which the SEC deemed effective on April 27, 2015. To date we have received \$516,020 under the Equity Purchase Agreement. This agreement has expired.

On December 21, 2015, we entered into an Equity Purchase Agreement with Beaufort Capital Partners, LLC. On January 5, 2016, we filed an S-1 Registration Statement which the SEC deemed effective on February 17, 2016. We received a total of \$393,610 under the Equity Purchase Agreement. This agreement has expired.

On July 1, 2016, we entered into an Equity Purchase Agreement with Beaufort Capital Partners, LLC. On July 15, 2016, we filed an S-1 Registration Statement which the SEC deemed effective on September 8, 2016. Therefore, as of August 31, 2016, we had not received any funds under the Equity Purchase Agreement. As of November 16, 2016, we have received \$262,500 under the Equity Purchase Agreement. This agreement has expired.

On May 9, 2017, we entered into an Equity Purchase Agreement with East Six Opportunity Fund, LLC. On May 17, 2017, we filed an S-1 Registration Statement which the SEC deemed effective on June 5, 2017. Therefore, as of August 31, 2017, we had received \$210,000 under the Equity Purchase Agreement. As of December 14, 2017, we have received \$420,000 under the Equity Purchase Agreement.

We recognize that if we are unable to generate sufficient revenues or obtain debt or equity financing, we will not be able to earn profits, which raises substantial doubt as to the Company's ability to continue as a going concern.

We did not conduct any offerings of our common stock, under regulation D during fiscal 2017.

If we are unable to continue to retain the services of Dieter Sauer, Jr., or if we are unable to successfully recruit qualified managerial and company personnel having experience in the small wind turbine industry, we may not be able to continue operations.

Our success depends to a significant extent upon the continued services of Dieter Sauer, Jr. our CEO and President. The loss of the services of Mr. Sauer could have a material adverse effect on our growth, revenues, and prospective business. Mr. Sauer will enter into an employment agreement with us requiring

him to devote substantially all of his time to us. We do not have a “key person” life insurance policy on Mr. Sauer. Additionally, there are a limited number of qualified technical personnel with significant experience in the design, development, manufacture, and sale of our wind turbines, and we may face challenges hiring and retaining these types of employees.

In order to successfully implement and manage our business plan, we will be dependent upon, among other things, successfully recruiting qualified managerial and company personnel having experience in the small wind turbine business. Competition for qualified individuals is intense. There can be no assurance that we will be able to find, attract and retain existing employees or that we will be able to find, attract and retain qualified personnel on acceptable terms.

If we are unable to successfully achieve broad market acceptance of our systems, we may not be able to generate enough revenues in the future to achieve or sustain profitability.

We are dependent on the successful commercialization of our systems. The market for small wind turbines is gaining momentum. The market for our systems is proven. The technology may not gain adequate commercial acceptance or success for our business plan to succeed. However, this was why we put the WindCutter through the certification analysis and testing. It is the first in its class to have achieved certification accreditation.

If we cannot establish and maintain relationships with distributors, we may not be able to increase revenues.

In order to increase our revenues and successfully commercialize our systems, we must establish and maintain relationships with various third party distributors. We currently do not have any signed distribution agreements.

If we cannot assemble a large number of our systems, we may not meet anticipated market demand or we may not meet our product commercialization schedule.

To be successful, we will have to assemble our systems in large quantities at acceptable costs while preserving high product quality and reliability. If we cannot maintain high product quality on a large scale, our business will be adversely affected. We may encounter difficulties in scaling up production of our systems, including problems with the supply of key components. Even if we are successful in developing our assembly capability, we do not know whether we will do so in time to meet our product commercialization schedule or satisfy the requirements of our customers. In addition, product enhancements need to be implemented to various components of the platform to provide better overall quality and uptime in high wind regimes. The implementation of the enhancements to our system may also delay significant production by requiring additional manufacturing changes and technical support to facilitate the manufacturing process.

If we experience quality control problems or supplier shortages from component suppliers, our revenues and profit margins may suffer.

We do not plan to manufacture certain components of our wind turbine systems ourselves and plan to outsource those. Our dependence on third-party suppliers for components of our turbine systems involves several risks, including limited control over pricing, availability of materials, quality and delivery schedules. Any quality control problems or interruptions in supply with respect to one or more

components or increases in component costs could materially adversely affect our customer relationships, revenues and profit margins.

Technological advances could render our VAWT products uncompetitive.

While management believes that our current and proposed designs are sufficiently advanced to be commercially successful, we cannot assure you that any competitor will not design a superior product with which we cannot compete or that other energy production sources may not in the future prove superior to wind power generation. Those events could substantially harm our operations.

Any future international expansion will subject us to risks associated with international operations that could increase our costs and decrease our profit margins.

International operations are subject to several inherent risks that could increase our costs and decrease our profit margins including:

- changes in foreign currency exchange rates;
- changes in a specific country's economic conditions;
- trade protective measures and import or export requirements or other restrictive actions by foreign governments; and,
- changes in tax laws.

If we determine to seek sales or contract for manufacturing outside the United States, we will be subject to these risks. However, we plan to be in a strong financial position before we would attempt to do so.

If we cannot effectively manage our internal growth, our business prospects, revenues and profit margins may suffer.

If we fail to effectively manage our internal growth in a manner that minimizes strains on our resources, we could experience disruptions in our operations and ultimately be unable to generate revenues or profits. We expect that we will need to significantly expand our operations to successfully implement our business strategy. As we add marketing, sales and build our infrastructure, we expect that our operating expenses and capital requirements will increase. To effectively manage our growth, we must continue to expend funds to improve our operational, financial and management controls, and our reporting systems and procedures. In addition, we must effectively expand, train and manage our independent contractor base. If we fail in our efforts to manage our internal growth, our prospects, revenue and profit margins may suffer.

Our technology competes against other small wind turbine technologies. Competition in our market may result in pricing pressures, reduced margins or the inability of our systems to achieve market acceptance.

We compete against several companies seeking to address the small wind turbine market. We may be unable to compete successfully against our current and potential competitors, which may result in price reductions, reduced margins and the inability to achieve market acceptance. The current level of market penetration for small wind turbines is relatively low and as the market increases, we expect competition to grow significantly. Our competition may have significantly more capital than we do and as a result, they

may be able to devote greater resources to take advantage of acquisition or other opportunities more readily.

Our inability to protect our patents and proprietary rights in the United States and foreign countries could materially adversely affect our business prospects and competitive position.

Our wind turbine designs are protected by patents. However, the grant of a patent does not ensure against the possibility that our patent will not be found to infringe upon patents or other intellectual property rights held by others, nor does the grant of a patent ensure that the patent will provide meaningful protection against potential or actual infringers by others.

If we encounter unforeseen problems with our current technology offering, it may inhibit our sales and early adoption of our product.

We are in the process of setting a certification standard through extensive computer fluid dynamic testing and actual field testing to curb anomalies related to manufacturing as we finalize our process. We do not anticipate negative results based on our preliminary results. We have perfected our design prior to going into mass production.

We are a technology development company and are in a production phase where we may encounter difficulties that we did not anticipate. Unforeseen problems relating to manufacture of the units or their operating effectively in the field could have a negative impact on adoption, future shipments and our operating results.

We are to establish and maintain required disclosure controls and procedures and internal controls over financial reporting and to meet the public reporting and the financial requirements for our business.

Our management has a legal and fiduciary duty to establish and maintain disclosure controls and control procedures in compliance with the securities laws, including the requirements mandated by the Sarbanes-Oxley Act of 2002. The standards that must be met for management to assess the internal control over financial reporting as effective are new and complex, and require significant documentation, testing and possible remediation to meet the detailed standards. Because we have limited resources, we may encounter problems or delays in completing activities necessary to make an assessment of our internal control over financial reporting, and disclosure controls and procedures. In addition, the attestation process by our independent registered public accounting firm is new and we may encounter problems or delays in completing the implementation of any requested improvements and receiving an attestation of our assessment by our independent registered public accounting firm. If we cannot assess our internal control over financial reporting as effective or provide adequate disclosure controls or implement sufficient control procedures, or our independent registered public accounting firm is not expressly reporting on our internal controls and the lack of such report on such assessment, may cause investor confidence and share value may be negatively impacted. We currently do not have a sufficient number of management and independent contractors to establish adequate controls and procedures.

Control by Management

As of August 31, 2017, Dieter Sauer, Jr., our CEO and director, owns 49,812,500 shares or 18% of our 351,229,209 issued and outstanding shares of common stock. No other shareholder owns more than 5%

with substantial interests or directorship of the company. All of our officers and directors as a group control 62,852,500 shares or 23%.

Risks Related to Common Stock

The large number of shares eligible for immediate and future sales may depress the price of our stock.

As of August 31, 2017, we had 351,229,209 shares of common stock outstanding, 185,693,772 shares are “free trading” and may serve to overhang the market and depress the price of our common stock.

23,000,000 shares were originally registered in the Beaufort S-1 of and we issued 16,231,584 over 8 Puts as of August 31, 2015. In the Sauer v. St George settlement, 5,000,000 shares were issued as free trading. Payments to St George for a note were converted and 11,891,270 shares were issued as free trading. Therefore, 13,052,392 shares are available for sale under Rule 144.

38,000,000 were originally registered in the Beaufort S-1 filed on January 5, 2016, and we issued 37,999,956 shares over 13 Puts as of August 31, 2016.

55,700,000 shares were originally registered in the Beaufort S-1 of July 15, 2016. As of August 31, 2016, we had not issued any shares; as of November 21, 2017, we issued 20,867,229 over 8 Puts under the Equity Purchase Agreement. Therefore, 21,236,041 shares are available for sale under Rule 144.

Additional financings may dilute the holdings of our current shareholders.

In order to provide capital for the operation of the business, we may enter into additional financing arrangements. These arrangements may involve the issuance of new shares of common stock or debt securities that are convertible into common stock or warrants for the purchase of common stock. Any of these items could result in a material increase in the number of shares of common stock outstanding, which would in turn result in a dilution of the ownership interests of existing common shareholders. In addition, these new securities could contain provisions, such as priorities on distributions and voting rights, which could affect the value of our existing common stock.

There is currently a limited public market for our common stock. Failure to develop or maintain a trading market could negatively affect its value and make it difficult or impossible for you to sell your shares.

Our common stock trades on the OTCQB under the Symbol SENY. There has been a limited public market for our common stock and an active public market for our common stock may not develop. Failure to develop or maintain an active trading market could make it difficult for you to sell your shares or recover any part of your investment in us. Even if a market for our common stock does develop, the market price of our common stock may be highly volatile. In addition to the uncertainties relating to future operating performance and the profitability of operations, factors such as variations in interim financial results or various, as yet unpredictable, factors, many of which are beyond our control, may have a negative effect on the market price of our common stock.

“Penny Stock” rules may make buying or selling our common stock difficult. Limitations upon Broker-Dealers Effecting Transactions in “Penny Stocks”

Trading in our common stock is subject to material limitations as a consequence of regulations which limit the activities of broker-dealers effecting transactions in "penny stocks." Pursuant to Rule 3a51-1 under the Exchange Act, our common stock is a "penny stock" because it (i) is not listed on any national securities exchange or The NASDAQ Stock Market, (ii) has a market price of less than \$5.00 per share, and (iii) its issuer (the Company) has net tangible assets less than \$2,000,000 (if the issuer has been in business for at least three (3) years) or \$5,000,000 (if the issuer has been in business for less than three (3) years).

Rule 15g-9 promulgated under the Exchange Act imposes limitations upon trading activities on "penny stocks", which makes selling our common stock more difficult compared to selling securities which are not "penny stocks." Rule 15a-9 restricts the solicitation of sales of "penny stocks" by broker-dealers unless the broker first (i) obtains from the purchaser information concerning his financial situation, investment experience and investment objectives, (ii) reasonably determines that the purchaser has sufficient knowledge and experience in financial matters that the person is capable of evaluating the risks of investing in "penny stocks", and (iii) delivers and receives back from the purchaser a manually signed written statement acknowledging the purchaser's investment experience and financial sophistication.

Rules 15g-2 through 15g-6 promulgated under the Exchange Act require broker-dealers who engage in transactions in "penny stocks" first to provide their customers with a series of disclosures and documents, including (i) a standardized risk disclosure document identifying the risks inherent in investing in "penny stocks", (ii) all compensation received by the broker-dealer in connection with the transaction, (iii) current quotation prices and other relevant market data, and (iv) monthly account statements reflecting the fair market value of the securities.

There can be no assurance that any broker-dealer which initiates quotations for the Common Stock will continue to do so, and the loss of any such broker-dealer likely would have a material adverse effect on the market price of our common stock.

Shares Eligible for Future Sale

Of our 351,229,209 issued and outstanding shares, 185,693,772 are currently free trading. In addition, we believe that approximately 87,739,892 shares are currently restricted but are presently eligible or become eligible to become free trading under Rule 144 under the Securities Act of 1933, as amended, in the next six months. In addition, each of our officers, directors or affiliates, who own an aggregate of 62,852,500 shares may sell 1% of the Company's outstanding shares (approximately 3,512,292 shares) every three months under Rule 144.

No Dividends

We never have paid any dividends on our common stock and we do not intend to pay any dividends in the foreseeable future.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable to a small reporting company.

ITEM 2. PROPERTIES.

We currently occupy approximately 26,550 square feet pursuant to a lease, beginning September 1, 2015, that continues through September 30, 2020. The monthly rental is \$13,507 throughout the lease term of 60 months. There is also a common area expense of \$507.38 per month. We will use the premises for the design and manufacturing of our wind turbines and for warehouse space and offices. We believe that our these premises are sufficient for our present needs and that if we should require more space, additional space will be available in the vicinity of our new premises at similar costs.

ITEM 3. LEGAL PROCEEDINGS.

On October 23, 2013, the Company filed a complaint against St George Investments, LLC ("St. George") in Superior Court, Ventura County California seeking declaratory relief as to contracts relating to the Company's May, 2012 purchase of the assets of Helix Wind from St. George for treasury stock then valued in excess of \$1.8 Million and a subsequent February 2013 promissory note for \$275,000 executed under the terms of an amendment to the May, 2012 asset purchase agreement. The Company alleged that the Helix Wind asset purchase price had been substantially paid and, in fact, may have been overpaid in light of St. George's failure to deliver all of the intellectual property of Helix Wind. St. George interpreted the contracts and promissory note as entitling it to a windfall recovery above and beyond the asset purchase price and promissory note amount. On November 21, 2013, St George exercised its right as a non-California based entity to remove the action from the Ventura state court to the federal court sitting in Los Angeles, the United States District Court for the Central District of California. On November 26, 2013, St. George filed its answer and counterclaim seeking to enforce its interpretation of the contracts and to thereby collect approximately \$440,000 above and beyond what is otherwise due, plus costs and attorney's fees. On February 3, 2014, the parties participated in a mediation session at the Federal Court and executed an agreement reflecting a settlement in principal (the "Settlement") which becomes binding only if the parties are unable to come to terms on more formal settlement agreements. The parties have since executed more formal settlement agreements which are included as an exhibit hereto. The basic terms of the Settlement required the issuance of an additional 5,000,000 shares of our common stock to St George under the Helix APA; required St. George to purchase an additional shares of our common stock for \$300,000 (\$0.15 per share) which is a price above the market price at the time of the Settlement; fixed the amount due on the note issued to St George in connection with the Helix APA at \$600,000 and granted the Company certain prepayment rights. The Settlement provides for limitations on the amounts of our common stock that St. George may sell into the market. The foregoing is a summary only and is qualified by reference to the settlement agreement included as an exhibit to this report.

The Settlement was completed on April 6, 2016.

ITEM 4. MINE SAFETY DISCLOSURES

NOT APPLICABLE

PART II

ITEM 5. MARKET for REGISTRANT'S COMMON EQUITY and ISSURER PURCHASES of EQUITY SECURITIES.

Market Information

Since August 13, 2009, our common stock has been quoted on the Over the Counter Bulletin Board under the symbol “BCOZ” through October 19, 2010 and the Symbol “SENY”, thereafter. During the year ended August 31, 2010, there were no trades prior to July 25, 2010. Thereafter our common stock traded was quoted on the Over the Counter Bulletin Board at prices ranging from \$0.010 to \$1.60. These prices represent interdealer quotations and may not represent actual trades.

The following chart sets forth certain information regarding the closing prices of our stock for the period indicated.

Fiscal Year Ended August 31, 2017

	High Closing Price	Low Closing Price
First Quarter	\$0.045	\$0.014
Second Quarter	\$0.0425	\$0.020
Third Quarter	\$0.025	\$0.015
Fourth Quarter	\$0.0219	\$0.010

Fiscal Year Ended August 31, 2016

	High Closing Price	Low Closing Price
First Quarter	\$0.040	\$0.020
Second Quarter	\$0.030	\$0.010
Third Quarter	\$0.040	\$0.010
Fourth Quarter	\$0.040	\$0.030

Reports to Shareholders

We plan to furnish our shareholders with an annual report for each fiscal year ending August 31, containing financial statements audited by our independent certified public accountants commencing with 2015. Additionally, we may, in our sole discretion, issue unaudited quarterly or other interim reports to our shareholders when we deem appropriate. We intend to maintain compliance with the periodic reporting requirements of the Securities Exchange Act of 1934.

Holdings

As of August 31, 2017, we had 131 shareholders of record and 351,229,209 common shares issued and outstanding. The number of holders does not include the shareholders for whom shares are held in a "nominee" or "street" name or as an escrow agent.

Dividend Policy

We have not declared or paid any dividends on our common stock to date. We anticipate that any future earnings will be retained as working capital and used for business purposes. Accordingly, it is unlikely that we will declare or pay any such dividends in the foreseeable future.

Securities Authorized for Issuance under Equity Compensation Plans

None

Recent Sales of Unregistered Securities

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable

ITEM 7. MANAGEMENT'S DISCUSSION and ANALYSIS of FINANCIAL CONDITIONS and RESULTS OF OPERATION.

Overview

We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions could be incorrect. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances. Some of the factors that may cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements include the following:

RESULTS OF OPERATIONS

Fiscal Year 2017 vs. Fiscal Year 2016

Operations

We have not realized any revenue through August 31, 2017. Our operating expenses increased to \$1,149,066 for FY 2017 from \$1,397,733 for FY 2016. Consulting expenses increased in FY 2017 to \$217,410 from \$609,709 in FY 2016 due to having proved our concept and devoting resources to the

certification process, as well as calibrating our turbines to harmonize with peripheral components. Although our operating expenses decreased in 2017 over 2016 due to the share based expense of \$503,288 in 2016, we anticipate increased costs associated with increased levels of operation and our manufacturing and marketing processes.

LIQUIDITY AND CAPITAL RESOURCES

Net cash flows used in operating activities for the fiscal year ended August 31, 2017, was \$1,032,208 which was offset by net proceeds of \$987,575 from financing activities. We had \$1,952 cash on hand at the end of the year ended August 31, 2017.

As of December 21, 2015, the Registrant entered into two agreements with Beaufort Capital Partners, LLC, a New York limited liability corporation (“BCPLL”), an Equity Purchase Agreement (the “EPA”) and a Registration Rights Agreement (the “RRA”).

The agreements required the Registrant to file a registration statement for the common stock underlying the EPA. Subject to various limitations set forth in the EPA, BCPLL, after effectiveness of such registration statement, was required to purchase up to \$3,000,000 worth of the Registrant’s common stock at a price equal to 72% of the market price as determined under the EPA (prior ten trading days). The EPA provides for volume limitations on the amount of shares that BVPLC must purchase at any time and provides that the Registrant will be paid for the common stock upon electronic delivery of the shares to BCPLL. BCPLL bore the attorney fees relating to the Registration Statement and is not charging the Registrant any additional fees. The Registration Statement was filed by the Registrant on January 5, 2016. It was ordered effective by the SEC on February 17, 2016.

Funds realized through the EPA entered into on December 21, 2015, were used by the Registrant as working capital for its operations. We have drawn down \$393,610, as of June 27, 2016 and there are no more shares in connection with this EPA.

As of July 1, 2016, the Registrant entered into two agreements with Beaufort Capital Partners, LLC, a New York limited liability corporation (“BCPLL”), an Equity Purchase Agreement (the “EPA”) and a Registration Rights Agreement (the “RRA”).

The agreements required the Registrant to file a registration statement for the common stock underlying the EPA. Subject to various limitations set forth in the EPA, BCPLL, after effectiveness of such registration statement, was required to purchase up to \$3,000,000 worth of the Registrant’s common stock at a price equal to 72% of the market price as determined under the EPA (prior ten trading days). The EPA provides for volume limitations on the amount of shares that BVPLC must purchase at any time and provides that the Registrant will be paid for the common stock upon electronic delivery of the shares to BCPLL. BCPLL bore the attorney fees relating to the Registration Statement and is not charging the Registrant any additional fees. The Registration Statement was filed by the Registrant on July 15, 2016. It was ordered effective by the SEC on September 8, 2016.

Funds were not able to draw from the agreements entered into on July 1, 2016, as of August 31, 2016. As of November 16, 2016, Registrant has drawn down \$262,500, used as working capital for its operations.

As of May 9, 2017, the Registrant entered into two agreements with East Six Opportunity Fund, LLC, a Connecticut limited liability corporation (“East Six”), an Equity Purchase Agreement (the “EPA”) and a Registration Rights Agreement (the “RRA”).

The agreements required the Registrant to file a registration statement for the common stock underlying the EPA. Subject to various limitations set forth in the EPA, East Six, after effectiveness of such registration statement, was required to purchase up to \$3,000,000 worth of the Registrant’s common stock at a price equal to 72% of the market price as determined under the EPA (prior ten trading days). The EPA provides for volume limitations on the amount of shares that East Six must purchase at any time and provides that the Registrant will be paid for the common stock upon electronic delivery of the shares to East Six. East Six bore the attorney fees relating to the Registration Statement and is not charging the Registrant any additional fees. The Registration Statement was filed by the Registrant on May 17, 2017. It was ordered effective by the SEC on June 6, 2017.

Registrant has drawn from the agreements entered into on May 9, 2017, as of August 31, 2017, in the amount of \$210,000. As of December 14, 2017, Registrant has drawn down \$420,000, used as working capital for its operations.

Funds on hand are not sufficient to fund our operations and we intend to rely on the sale of stock in private placements to increase liquidity and, we anticipate deriving additional revenue from product sales in fiscal 2018, but we cannot at this time quantify the amount. If we are unable to raise cash through the sale of our stock, we may be required to severely restrict our operations.

Related Party Transactions

As of August 31, 2017, we have related party payables to Dieter Sauer in the amount of \$3,000, for an advance to SEI in the month of May, 2017. Dieter Sauer, who is the President and CEO, and Ana Sauer, who is the Corporate Secretary, are husband and wife.

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is a smaller reporting company and is not required to provide this information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by this Item 8 are listed in Item 15(a) (1) and begin at page F-1 of this Annual Report on Form 10-K.

ITEM 9. CHANGES in and DISAGREEMENTS with ACCOUNTANTS on ACCOUNTING and FINANCIAL DISCLOSURE.

There are none.

ITEM 9A. CONTROLS and PROCEDURES.

Disclosure Controls and Procedures

Regulations under the Securities Exchange Act of 1934 (the "Exchange Act") require public companies to maintain "disclosure controls and procedures," which are defined as controls and other procedures that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We conducted an evaluation, with the participation of our Chief Executive Officer who is also our principal financial officer, of the effectiveness of our disclosure controls and procedures as of August 31, 2017. Based on that evaluation, our Chief Executive Officer has concluded that as of August 31, 2017, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses described below.

In light of the material weaknesses described below, we performed additional analysis and other post-closing procedures to ensure our financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

A material weakness is a control deficiency (within the meaning of the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 2) or combination of control deficiencies that result in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. Management has identified the following three material weaknesses which have caused management to conclude that, as of August 31, 2017, our disclosure controls and procedures were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act which is applicable to us for the year ending August 31, 2017. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

2. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our

assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

3. The Board of Directors has not provided an appropriate level of oversight of the Company's financial reporting and procedures for internal control over financial reporting since there are, at present, no independent directors who could provide an appropriate level of oversight, including challenging management's accounting for and reporting of transactions. Accordingly, we have determined that this control deficiency constitutes a material weakness.

To address these material weaknesses, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the issuer; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of the end of our most recent fiscal year, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting

established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO-2013") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, as of August 31, 2017, such internal control over financial reporting was not effective. This was due to deficiencies that existed in the design or operation of our internal control over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal control over financial reporting that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; and (2) inadequate segregation of duties consistent with control objectives of having segregation of the initiation of transactions, the recording of transactions and the custody of assets. The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of August 31, 2017.

Management believes that the material weaknesses set forth in items (1) and (2) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of director's results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only the management's report in this annual report.

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. First, we will create a position to segregate duties consistent with control objectives of having separate individuals perform (i) the initiation of transactions, (ii) the recording of transactions and (iii) the custody of assets. Second, we will create a senior position to focus on financial reporting and standardizing and documenting our accounting procedures with the goal of increasing the effectiveness of the internal controls in preventing and detecting misstatements of accounting information. Third, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us. Although there is substantial uncertainty in any such estimate, we anticipate the costs of implementing these remediation initiatives will be approximately \$100,000 to \$300,000 a year in increased salaries, legal and accounting expenses.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented by August 31, 2018.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Exchange Act) during the fiscal year ended August 31, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS and CORPORATE GOVERNANCE.

Our directors and officers as of August 31, 2017 are:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Dieter R. Sauer, Jr.	62	Director and CEO
Ana Sauer	67	Secretary and Director
Jeff Massey	62	Director
Zohreh Hashemi	64	Director

Dieter R Sauer, Jr., was elected a director and our CEO and president on July 25, 2010. Sauer Energy, Inc., a California corporation that Mr. Sauer originally founded, became our operating subsidiary. It was dissolved in August, 2012.

Prior thereto from 2001 he was an independent marketing, sales and business development consultant. The salary paid to Mr. Sauer was \$72,500, and to Ana Sauer was \$54,600, during FY 2017.

Ana Sauer was appointed Secretary of the Company to serve at the pleasure of the Board on August 5, 2010. Ms. Sauer is a co-founder of Sauer Energy, Inc., a Nevada corporation, and serves as its secretary and a director. She has been licensed as a real estate agent since October of 2007. From 2004 to 2007, Ms. Sauer was President of Cielle Enterprises, a privately held company, engaged in developing and marketing cosmeceuticals.

Jeff Massey joined our board on December 8, 2010. Mr. Massey is President and Chief Executive Officer of Asbuilt Information Systems, which he founded in 1990 and built to become one of the largest privately held U.S. professional services firms specializing in a wide variety of software implementation and turnkey solutions for building measurement, tenant and corporate space accounting. He recently sold Asbuilt Information Systems.

Zohreh Hashemi joined our board on December 8, 2010. Ms. Hashemi worked for Amgen, Inc., from 2000 through 2009 as a Senior System Engineer. Prior thereto she held management positions with Sony Pictures Entertainment, BAX Global, Universal Studios and Hughes Aircraft. As an engineer, she has lead departments in development and implementation controls and procedures and has spent the majority of her career in development of various products. She also has established strategic manufacturing relationships.

Family Relationships

Dieter R. Sauer, Jr. and Ana Sauer are husband and wife. There are no arrangements or understandings between or among any of the directors, executive officers or other person pursuant to which such person was selected to serve as a director or officer.

Involvement in certain legal proceedings

Our directors, executive officers and control persons have not been involved in any of the following events during the past ten years:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Term of Office

The term of office of the current directors shall continue until new directors are elected or appointed at an annual meeting of shareholders.

Committees of the Board and Financial Expert

We do not have a separately-designated audit or compensation committee of the Board or any other Board-designated committee. Audit and compensation committee functions are performed by our Board of Directors. We will form such committees in the future as the need for such committees may arise. In addition, at this time we have determined that we do not have an “audit committee financial expert” as defined by the SEC on our Board.

Section 16(A) Beneficial Ownership Reporting Compliance

Based on a review of Forms 3, furnished to the registrant during its most recent fiscal year, it appears that these reports were filed untimely. However, all reports have been filed and no transactions were engaged in which would give rise to any liability under Section 16(b) of the Exchange Act during the most recent fiscal year: The untimely filings of the initial reports was occasioned by difficulties in obtaining the required filing codes.

ITEM 11. EXECUTIVE COMPENSATION.

Compensation of Executive Officers

Executive Compensation

The following table sets forth all compensation earned during the fiscal years ended August 31, 2017 and 2016, by (i) our Chief Executive Officer (principal executive officer), (ii) our Chief Financial Officer (principal financial officer), (iii) the three most highly compensated executive officers other than our CEO and CFO who were serving as executive officers at the end of our last completed fiscal year, whose total compensation exceeded \$100,000 during such fiscal year ends, and (iv) up to two additional individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of our last completed fiscal year, whose total compensation exceeded \$100,000 during such fiscal year ends. We refer to all of these officers collectively as our “named executive officers”.

Summary Compensation Table

Name & Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Other Comp.	Total
Dieter R. Sauer Jr., CEO	2017	\$72,500	-		-	-	-	\$ 72,500
(and CFO)	2016	\$61,000	-	121,000	-	-	-	\$ 182,000
								\$ 54,600
								-
Ana Sauer, Secretary	2017	54,600	-		-	-	-	
	2016	27,500	-	149,600	-	-	-	177,100

Compensation of Directors

The Company has no standard arrangements in place or currently contemplated to compensate the Company’s directors for their service as directors or as members of any committee of directors.

Employment Agreements

We do not have employment agreements with any of our executive officers or directors.

Termination of Employment

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in the Summary Compensation Table set forth above that would in any way result in payments to any such person because of his or her resignation, retirement or other termination of such person's employment with us.

Employee Benefit Plans

None

Indemnification of Directors and Executive Officers and Limitation of Liability

Nevada law generally permits us to indemnify our directors, officers, employees and agents. Pursuant to the provisions of Nevada Revised Statutes 78.7502, we, as a corporation organized in Nevada, may indemnify our directors, officers, employees and agents in accordance with the following:

(a) A corporation may indemnify any person who was or is a party or is threatened to be made a party to any action, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation, against expenses, actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) is not liable for breach of his fiduciary duties as a director or officer pursuant to Nevada Revised Statutes 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) A corporation may indemnify any person who was or is a party or is threatened to be made a party to any action by or in the right of the corporation to procure a judgment in its favor, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation against expenses actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) is not liable for breach of his fiduciary duties pursuant to Nevada Revised Statutes 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

(c) To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, the corporation shall indemnify him against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense.

Charter Provisions, Bylaws and Other Arrangements of the Registrant

Our Certificate of Incorporation, as amended, does not contain any specific language enhancing or limiting the Nevada statutory provisions referred to above.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy and is, therefore, unenforceable.

ITEM 12. SECURITY OWNERSHIP of CERTAIN BENEFICIAL OWNERS and MANAGEMENT and RELATED STOCKHOLDER MATTERS.

Security Ownership of Certain Beneficial Owners

The following table sets forth information regarding beneficial ownership of our common stock as of August 31, 2017 by (i) any person or group with more than 5% of any class of voting securities, (ii) each director, (iii) our chief executive officer and each other executive officer whose cash compensation for the most recent fiscal year exceeded \$100,000 and (iv) all such executive officers and directors as a group. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, 1620 Emerson Avenue, Oxnard, CA, 93033-1845. Except as indicated in the footnotes to this table and subject to applicable community property laws, the persons named in the table to our knowledge have sole voting and investment power with respect to all shares of securities shown as beneficially owned by them.

NAME and ADDRESS OF BENEFICIAL OWNER	OFFICE	AMOUNT and NATURE of BENEFICIAL OWNERSHIP	PERCENT OF CLASS (1)
Dieter Sauer, Jr.	Director, CEO, President	49,812,500 common shares held directly	18%
Ana Sauer	Secretary	13,000,000	4.7%
Jeff Massey	Director	20,000	*
Zoreh Hashemi	Director	20,000	*
All Officers and Directors as a group (4 Persons)		62,852,500 common shares held directly	23%

*Less than 0.1%

Dieter Sauer, Jr. and Ana Sauer are husband and wife.

The Company does not have any change of control or retirement arrangements with its executive officers.

Changes in Control

We know of no contractual arrangements which may at a subsequent date result in a change of control in the Company.

ITEM 13. CERTAIN RELATIONSHIPS and RELATED TRANSACTIONS, and DIRECTOR INDEPENDENCE.

As disclosed under, Item 1. Business- Acquisition of Sauer Energy, Inc. and Related Matters, Dieter R. Sauer, Jr. acquired 39,812,500 shares of our common stock from our then CEO Malcolm Albery, in

exchange for (i) \$55,200; (ii) the contribution of his shares in our operating subsidiary to us; and (iii) and the assignment of certain patents to us.

Upon their appointment as directors each of Jeff Massey and Zohreh Hashemi were awarded 20,000 shares of our common stock.

Director Independence

We believe that our directors, Jeff Massey and Zohreh Hashemi, are considered “independent” under Rule 400(a)(15) of the National Association of Securities Dealers listing standards due to their lack of any positions with us other than director and minimal stock ownership in us.

ITEM 14. PRINCIPAL ACCOUNTANT FEES and SERVICES.

Audit Fees

The aggregate fees billed by the Company’s auditors, Fruci & Associates II, PLLC, for professional services rendered in connection with the audit of the Company’s annual financial statements and reviews of the financial statements included in the Company’s Form 10-K or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for fiscal years ended August 31, 2017, and 2016, was approximately \$17,000 and \$14,000, respectively.

Audit Related Fees

None

Tax Fees

None

All Other Fees

None

Pre-Approval Policies and Procedures

The board of directors has not adopted any pre-approval policies and approves all engagements with the Company’s auditors prior to performance of services by them.

PART IV

ITEM 15. EXHIBITS and FINANCIAL STATEMENT SCHEDULES –

Exhibit No.	Description
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- 3.1 Articles of Incorporation. Incorporated by reference to the Exhibits attached to the Company's Form S-1 filed with the SEC on October 30, 2008
- 3.2 Bylaws. Incorporated by reference to the Exhibits attached to the Company's Form S-1 filed with the SEC on October 30, 2008
- 3.3 Articles of Amendment to the Articles of Incorporation filed with the Secretary of State of Nevada on October 15, 2010 Incorporated by reference to the like numbered exhibit to the Company's Annual Report on Form 10-K for the year ended August 31, 2010
- 10.1 Farm-In Agreement dated August 29, 2008 between Unitech Energy Resources Inc. and BCO Hydrocarbon Ltd. Incorporated by reference to the Exhibits attached to the Company's Form S-1 filed with the SEC on October 30, 2008
- 10.2 Agreement and Plan of Reorganization, dated June 23, 2010, by and among the Registrant, Dieter R. Sauer, Jr., and Malcolm Albery. Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed June 25, 2010.
- 10.3 Lease, dated August 20, 2012, between Erik J. Eppink and Sauer Energy, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on September 12, 2012)
- 10.4 Mediation Settlement with St. George Investments, LLC, (Incorporated by reference to the Exhibits attached to the Company's Form S-1 filed with the SEC on June 13, 2013.
- 10.5 Equity Purchase Agreement with Beaufort Capital Partners, LLC, (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on 3/17/2015.)
- 10.6 Registration Rights Agreement with Beaufort Capital Partners, LLC, (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on 3/17/2015.)
- 10.7 Equity Purchase Agreement with East Six Opportunity Fund, PLLC, (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on 5/12/2017.)
- 10.8 Registration Rights Agreement with East Six Opportunity Fund, PLLC, (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on 5/12/2017.)
- 10.9 Lease, dated August 7, 2015, between Emmet J. Hawkes and Sally Hawkes and Sauer Energy Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on September 24, 2015)
- 23.1 Auditor's consent from Fruci II, PLLC, Filed herewith

- 31.1 Section 302 Certification- Principal Executive Officer and Principal Financial Officer Filed herewith
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

SAUER ENERGY, INC.

Date:
December 14, 2017

/s/ Dieter R. Sauer Jr.

Name: Dieter R. Sauer Jr.

Title: Chief Executive Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Dieter R. Sauer Jr.</u> Dieter R. Sauer Jr.	Director, CEO and President	December 14, 2017
<u>/s/ Jeff Massey</u> Jeff Massey	Director	December 14, 2017
<u>/s/ Zohreh Hashemi</u> Zohreh Hashemi	Director	December 14, 2017

SAUER ENERGY, INC.
FINANCIAL STATEMENTS
(Audited)
FISCAL YEAR END AUGUST 31, 2017
REPORTED IN UNITED STATES DOLLARS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Sauer Energy, Inc.

We have audited the accompanying balance sheets of Sauer Energy, Inc. as of August 31, 2017 and 2016, and the related statements of income, stockholders' equity, and cash flows for each of the years in the two-year period ended August 31, 2017. Sauer Energy, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sauer Energy, Inc. as of August 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended August 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has a history of operating losses, has limited cash resources, and its viability is dependent upon its ability to meet future financing requirements. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Fruci & Associates II, PLLC

Fruci & Associates II, PLLC
Spokane, Washington
December 14, 2017

SAUER ENERGY, INC.

Balance Sheet

	August 31, 2017	August 31, 2016
ASSETS		
Current Assets		
Cash	\$ 1,952	\$ 46,585
Petty Cash	1,500	1,500
Prepaid Expenses	-	-
	3,452	48,085
Property and Equipment, net	41,635	68,123
Other Assets		
Intangible Assets	1,112,631	1,202,807
Security Deposit	13,507	16,502
	1,126,138	1,219,309
Total Assets	\$ 1,171,225	\$ 1,335,517
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and accrued liabilities	\$ 37,947	\$ 25,037
Accounts Payable and accrued liabilities - Related Party	3,000	8,000
Note payable	105,000	90,000
Total Current Liabilities	145,947	123,037
Commitments and Contingencies	\$ -	\$ -
Stockholders' Equity		
Common Stock, \$0.0001 par value; authorized 650,000,000 shares, issued and outstanding were		
351,229,209 on August 31, 2017 and 273,433,664 shares outstanding on August 31, 2016	35,121	27,343
Additional Paid-In Capital	12,473,432	11,075,385
Accumulated deficit	(11,483,275)	(9,890,248)
Total Stockholders' Equity	1,025,278	1,212,480
Total Liabilities and Stockholders' Equity	\$ 1,171,225	\$ 1,335,517

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

SAUER ENERGY, INC.
Statement of Operations
for the years ended August 31,

	2017	2016
Revenue	\$ -	\$ -
General and Administrative Expenses:		
Professional Fees	95,086	86,041
Consulting	217,410	609,709
Rent Expense	182,552	165,023
Research & development expense	351,912	214,800
Other general and administrative expenses	302,106	322,160
Total Operating Expenses	1,149,066	1,397,733
Loss from operations	(1,149,066)	(1,397,733)
Other Income (expense)		
Interest and finance	(443,961)	(276,798)
Changes in derivative liability	-	446,784
	(443,961)	169,986
(Loss) before taxes	(1,593,027)	(1,227,747)
Provision (credit) for taxes	-	-
Net (Loss)	\$ (1,593,027)	\$ (1,227,747)
Earnings (loss) per common share, basic and diluted	\$ (0.01)	\$ (0.01)
Basic and diluted weighted average number of common shares outstanding, basic	316,676,772	210,411,932

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

SAUER ENERGY, INC.
Statement of Stockholders' Equity
for the period ending August 31, 2017

	Common Stock		Additional	Accumulated	Total
	Number of	Amount	Paid-In	Deficit	Shareholders'
	Shares		Capital		Equity
					(Deficit)
Balances August 31, 2015	148,173,100	\$ 14,817	\$ 9,351,999	\$ (8,662,501)	\$ 704,315
Shares issued for Cash	125,260,564	12,526	1,719,283		1,731,809
Financing fees paid in shares			4,103		4,103
net (loss)				(1,227,747)	(1,227,747)
Balances August 31, 2016	273,433,664	27,343	11,075,385	(9,890,248)	1,212,480
Shares issued for Cash	77,795,545	7,778	1,398,047		1,405,824
net (loss)				(1,593,027)	(1,593,027)
Balances August 31, 2017	351,229,209	35,121	12,473,432	(11,483,275)	1,025,278

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

SAUER ENERGY, INC.
Statement of Cash Flows
for the years ended August 31,

	2017	2016
Cash flows from operating activities:		
Net (loss)	\$ (1,593,027)	\$ (1,227,747)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Amortization	90,177	90,177
Depreciation	26,488	45,078
Change in derivative liability	-	(446,785)
Issuance of stock for services or claims	-	503,288
Financing costs paid in shares	433,254	279,832
Changes in operating assets and liabilities:		
Other Assets	2,995	11,511
Accounts payable and accrued expenses - related party	(5,000)	8,000
Accounts payable and accrued expenses	12,905	10,471
Net cash flows (used by) operating activities	<u>(1,032,208)</u>	<u>(726,175)</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	-	-
Net cash (used by) investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from issuance of note payable	155,000	140,000
Payments on note payable	(140,000)	(50,000)
Proceeds from issuance of common stock, net of costs	972,575	677,792
Net cash (used by) provided by financing activities	<u>987,575</u>	<u>767,792</u>
Net increase (decrease) in cash	(44,633)	41,617
Cash, beginning of the period	46,585	4,968
Cash, end of the period	<u>\$ 1,952</u>	<u>\$ 46,585</u>
Supplemental cash flow disclosure:		
Interest paid	<u>\$ 6,991</u>	<u>\$ 719</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

SAUER ENERGY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016

NOTE 1

ORGANIZATION AND NATURE OF OPERATIONS

Organization

Sauer Energy, Inc. was incorporated in California on August 7, 2008. The Company was incorporated to develop and market wind power electric generators.

Current Business of the Company

On July 25, 2010, the Company executed a plan of reorganization with BCO Hydrocarbon Ltd., a Nevada exploration stage enterprise, in which Sauer Energy Inc. became a subsidiary of BCO. BCO changed its name to Sauer Energy, Inc.

The Company leases warehouse/office facilities in Oxnard, California, in which the Company develops wind power technology. A production prototype of a vertical axis wind turbine ("VAWT") has been developed. Its compact size is aimed at the small business and rural market. The company is focused on plans to manufacture and distribute the product. In May, 2012, the acquisition of the entire assets of a wind turbine company added two more wind turbine models to the Company, together with patents and a distribution network. During 2016 and 2017, the Company continued to develop its technology.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the basis of accounting generally accepted in the United States of America. Under this basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred. The Company has adopted August 31 as the fiscal year-end.

Cash and Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less from the date of purchase that are readily convertible into cash to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Financial Accounting Standards Board issued ASC (Accounting Standards Codification) 820-10 (SFAS No. 157), "Fair Value Measurements and Disclosures" for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. FASB ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. FASB ASC 820-

10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts of the Company's financial instruments as of August 31, 2017, reflect:

- Cash: Level 1 Measurement based on bank reporting.
Level 2 Loans from Officers and related parties
- Level 2 Based on promissory notes and calculations of derivative liabilities from 2016.

Federal income taxes

The Company utilizes FASB ACS 740, *"Income Taxes"*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recorded when, in the opinion of management, it is "more likely-than-not" that a deferred tax asset will not be realized. The Company generated a deferred tax credit through net operating loss carry-forward. A valuation allowance of 100% has been established.

Interest and penalties on tax deficiencies recognized in accordance with ASC accounting standards are classified as income taxes in accordance with ASC Topic 740-10-50-19.

Research and development costs

The Company expenses costs of research and development cost as incurred. The costs for the fiscal years ended August 31, 2017, and August 31, 2016, were \$351,912, and \$214,800 respectively.

Advertising and marketing expenses

Costs for advertising and marketing for the fiscal years ended August 31, 2017, and 2016, were \$27,158 and \$59,471 respectively.

Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, Compensation – Stock Based Compensation and ASC 505, Equity Based Payments to Non-Employees, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Basic and Diluted Earnings (Loss) Per Share –

Net loss per share is calculated in accordance with FASB ASC 260, Earnings Per Share, for the period presented. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. The Company has potentially dilutive securities outstanding consisting of the conversion of convertible loans (see Note 8). However, their exercise would be anti-dilutive, since the Company is in a loss position, and they are not counted in the calculation of loss per share.

Recent Accounting Pronouncements

Management has considered all recent accounting pronouncements. The following pronouncement was deemed applicable to our financial statements.

A variety of proposed or otherwise potential accounting standards are currently under study by standard setting organizations and various regulatory agencies. Due to the tentative and preliminary nature of those proposed standards, the Company's management has not determined whether implementation of such standards would be material to its financial statements.

The Company is reviewing the effects of following recent updates. The Company has no expectation that any of these items will have a material effect upon the financial statements.

- Update 2016-15—Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)
- Update 2016-09—Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

- Update 2016-07 —Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting
- Update 2016-06 —Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments (a consensus of the Emerging Issues Task Force)
- Update 2016-03—Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance (a consensus of the Private Company Council)
- Update 2016-01—Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities
- Update 2015-17 —Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes
- Update 2015-16—Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments
- Update 2015-15—Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements—Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting (SEC Update)

Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported losses, total assets, or stockholders' equity as previously reported.

Note 3 – Going Concern

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has accumulated a deficit of \$(11,483,275) as of August 31, 2017, has had no revenues, which raises substantial doubt as to the Company's ability to continue as a going concern.

In view of these matters, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheets is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Management plans to raise additional capital through the sale of stock to pursue business development activities.

Note 4 – Property and Equipment

Property and Equipment consisted of the following at August 31, 2017 and August 31, 2016:

	2017	2016
Computers and equipment	\$ 272,999	\$ 272,999
Truck and Trailer	9,400	9,400
Less accumulated depreciation	<u>(240,764)</u>	<u>(214,276)</u>
Property and equipment, net	<u>\$ 41,635</u>	<u>\$ 68,123</u>

The Company depreciates its property and equipment using accelerated methods over lives of five or seven years. In Fiscal Years Ended 2017 and 2016, depreciation was \$26,488 and \$45,078, respectively.

Note 5 – Asset Purchase

On May 11, 2012, the Company entered into an Asset Purchase Agreement with St. George Investments LLC, an Illinois limited liability company, to acquire certain assets in foreclosure for 6,000,000 common shares. The assets were formerly owned by Helix Wind, Inc., a Nevada corporation in the same business as the Company. The assets and agreed prices were:

Tangible Assets	
Equipment	\$ 23,000
Supplies	\$ 1,000
Inventory	<u>\$ 1,000</u>
	<u>\$ 25,000</u>
Intangible Assets	
Goodwill	\$ 5,000
Intellectual Property (10 patents, 2 trademarks, network systems, wind turbine monitoring system, URL)	\$1,467,500
Restrictive Covenant	<u>\$ 2,500</u>
	<u>\$1,475,000</u>

Note 6 – Intangible Property

The Company has acquired intangible property in patents, patents pending and goodwill. The patents are being amortized over their expected lives of not more than seventeen years. The restrictive covenants were fully amortized as of August 31, 2013. Those patent costs allocated to pending patents do not begin amortizing until the underlying patent is issued. If for some reason a patent is not issued the costs associated with the acquisition and the continuation of the application are fully amortized in the year of the denial.

	August 31,	
	2017	2016
Patents	\$ 109,092	\$ 109,092

Purchased Patents	1,467,500	1,467,500
Goodwill	5,000	5,000
Less Amortization	(468,961)	(378,785)
	<u>\$ 1,112,631</u>	<u>\$ 1,202,807</u>

In Fiscal Years End 2017 and 2016, the amortization expense was \$90,177 and \$90,177, respectively.

Note 7 - Notes Payable

On July 26, 2016, the Company entered into short term note agreement with Beaufort Capital Partners, LLC. In the amount of \$50,000 with an interest rate of 10% per annum, with a due date of October 26, 2016. It has been paid in full.

On August 30, 2016, the Company entered into short term note agreement with Beaufort Capital Partners, LLC. In the amount of \$40,000 with an interest rate of 10% per annum, with a due date of December 1, 2016.

On August 30, 2017 the Company entered into short term note agreement with East Six Opportunity Fund, LLC. In the amount of \$50,000 with an interest rate of 10% per annum, with a due date of December 1, 2017.

On May 24, 2017 the Company entered into short term note agreement with Luke Hoppel, LLC, in the amount of \$105,000 with an interest rate of 10% per annum, with a due date of May 24, 2018, that converts after 6 months.

Note 8 – Convertible Loans and Interest Payable

The Company entered into note agreements and subsequent modifications and settlements on convertible notes. These notes are convertible into the Company's common stock and are due usually within one year. The notes were issued with original issuance discounts of twelve percent which was immediately convertible into common stock and if the note was not repaid in ninety days the zero percent interest rate was replaced with an immediate prepaid interest charge at ten percent with was subject to conversion. The Conversion terms were both fixed and variable if the trading prices did not meet the fix conversion price. See the derivative discussion in Note 9 concerning these loans. As of March 18, 2016, this note was satisfied in full. See note 12 below for a detail of the shares issued for the conversions.

	August 31,	
	<u>2017</u>	<u>2016</u>
Convertible Loans and Accrued Interest:		
St. George Investments	\$ -	\$ 275,000
Luke Hoppel	105,000	

On May 24, 2017 the Company entered into short term note agreement with Luke Hoppel, LLC, in the amount of \$105,000 with an interest rate of 10% per annum, with a due date of May 24, 2018, that converts after 6 months.

Note 9 – Derivative Liabilities

The Company entered into certain convertible loan agreements during 2012 and 2013. These agreements contained terms that allowed for the conversion of the debt into common stock. The basic agreement was originally with \$0.25 conversion prices unless the stock sold at less than \$0.25. If the trades were at less than original term, the debt holders could elect to convert their debt at sixty percent of the lowest trading price in the 25 trading days prior to the conversion notice. Because of these terms, the debt conversion clause requires that the Company account for these note balances as derivatives valued at the fair market value of the Company's common stock on the day of any financial reporting period. At August 31, 2017, and 2016, the fully convertible shares would be -0- and -0- common shares, respectively.

	August 31,	
	<u>2017</u>	<u>2016</u>
Derivative Liabilities on Convertible Loans:		
St. George Investments	\$ -	\$ -

Note 10 -- Related Party Note

As of August 31, 2017 and 2016, we have related party payables to Dieter Sauer in the amount of \$3,000, for an advance to SEI in the month of May, 2017. Dieter Sauer, who is the President and CEO, and Ana Sauer, who is the Corporate Secretary, are husband and wife.

Note 11 – Commitments and Contingencies

Rental Agreement:

On August 17, 2012, the Company leased a 10,410 square foot “industrial condominium” in Camarillo, California, for three years for monthly lease payments of \$7,000 per month. There are no common area costs. All company operations were concentrated at the site and this lease ended on August 31, 2015.

On August 7, 2015, the Company entered into a Commercial Single-Tenant Lease for a 26,550 square foot building in Oxnard, California, with monthly payments of \$13,507 for sixty months, plus common area costs of \$507.38 per month. All company operations will be concentrated at the site.

Lease Commitments – following five fiscal years:

Fiscal year ended
August 31,

Year	Lease
2018	168,173
2019	168,173
2020	168,173
2021	168,173

Rent expense for the twelve months ended August 31, 2017, and 2016, was \$182,552 and \$165,023 respectively.

Note 12 - Federal income tax

No provision was made for federal income tax, since the Company has had significant net operating losses. Net operating loss carryforwards may be used to reduce taxable income through the year 2035. The availability of the Company's net operating loss carryforwards are subject to limitation if there is a 50% or more positive change in the ownership of the Company's stock, unless the same or similar business is carried on. The net operating loss carryforward for federal and state income tax purposes was approximately \$9,890,000, which will expire in 2029 through 2035 if not utilized. The Company uses 35% for a composite tax rate to estimate the value of net operating losses for deferred taxes.

The Company as of August 31, 2017, and 2016, recognized net losses of approximately \$1,593,027 and \$1,227,747, respectively. The total estimated deferred tax asset as of August 31, 2017 was \$4,019,146. The net increases for the years ended August 31, 2017, and 2016, are approximately \$557,559 and \$430,000. The Company recorded a 100% valuation allowance for the deferred tax asset since it is more likely than not that some part or all of the deferred tax asset will not be realized.

Although Management believes that its estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different than that which is reflected in our tax provisions. Ultimately, the actual tax benefits to be realized will be based upon future taxable earnings levels, which are very difficult to predict.

No provision was made for federal income tax, since the Company had an overall net operating loss and has accumulated net operating loss carryforwards.

For the year ended August 31, 2017, and 2016, no income tax expense has been realized as a result of operations and no income tax penalties and/or interest have been accrued related to uncertain tax positions. The Company files income tax returns in the U.S. federal jurisdiction and in the State of California. These filings are subject to a three-year statute of limitations. The Company's evaluation of income tax positions included the years ended August 31, 2014 through 2017, could be subject to agency examinations. No filings are currently under examination. No adjustments have been made to reduce the estimated income tax benefit at fiscal year-end or at the quarterly reporting dates. Any valuations relating to these income tax provisions will comply with U.S. generally accepted accounting principles.

Note 13 – Capital Stock

The Company went public on 7/25/ 2010. Its Common Stock is traded on the open market under the symbol OTCQB: SENY.

On September 1, 2015, the Company authorized 651,042 shares of common stock to be issued for \$15,000 at \$0.02304 per share pursuant to an Equity Purchase Agreement.

On September 10, 2015, the Company authorized 1,640,420 shares of common stock at \$0.01524 per share to be issued in exchange for cancellation of \$25,000 of the convertible loan.

On September 11, 2015, the Company authorized 902,778 shares of common stock to be issued for \$19,500 at \$0.021 per share pursuant to an Equity Purchase Agreement.

On September 18, 2015, the Company authorized 1,072,125 shares of common stock to be issued for \$22,000 at \$0.020 per share pursuant to an Equity Purchase Agreement.

On October 6, 2015, the Company authorized 868,056 shares of common stock to be issued for \$15,000 at \$0.017 per share pursuant to an Equity Purchase Agreement.

On October 12, 2015, the Company authorized 1,012,731 shares of common stock to be issued for \$17,500 at \$0.01728 per share pursuant to an Equity Purchase Agreement.

On October 20, 2015, the Company authorized 1,851,852 shares of common stock to be issued for \$28,000 at \$0.015120 per share pursuant to an Equity Purchase Agreement.

On October 23, 2015, the Company authorized 1,984,127 shares of common stock at \$0.01260 per share to be issued in exchange for cancellation of \$25,000 of the convertible loan.

On October 27, 2015, the Company authorized 6,613,757 shares of common stock to be issued for \$100,000 at \$0.015120 per share pursuant to an Equity Purchase Agreement.

On November 6, 2015, the Company authorized 2,063,492 shares of common stock at \$0.01260 per share to be issued in exchange for cancellation of \$26,000 of the convertible loan.

On November 20, 2015, the Company authorized 2,000,000 shares of common stock at \$0.01200 per share to be issued in exchange for cancellation of \$24,000 of the convertible loan.

During the quarter ending November 30, 2015, the Company issued 15,576,508 shares of common stock for \$254,000 pursuant to an Equity Purchase Agreement.

During the quarter ending February 29, 2016, the Company issued 11,077,216 shares of common stock for \$100,000 pursuant to a convertible note.

During the quarter ending February 29, 2016, the Company issued 4,269,242 shares of common stock for \$55,000 pursuant to an Equity Purchase Agreement.

During the quarter ending May 31, 2016, the Company issued 40,950,000 shares of common stock was issued for services rendered.

During the quarter ending May 31, 2016, 75,000 shares were cancelled and returned to treasury.

During the quarter ending May 31, 2016, the Company issued 9,498,761 shares of common stock for \$125,000 pursuant to a convertible note.

During the quarter ending May 31, 2016, the Company issued 31,682,076 shares of common stock for \$275,500 pursuant to an Equity Purchase Agreement.

During the quarter ending August 31, 2016, the Company issued 20,867,229 shares of common stock for \$262,500 pursuant to an Equity Purchase Agreement.

During the quarter ending August 31, 2017, the Company issued 22,095,545 shares of common stock for \$210,000 pursuant to an Equity Purchase Agreement.

NOTE 14 - Contingencies, Litigation

There were no loss contingencies or legal proceedings against the Company with respect to matters arising in the ordinary course of business.

On October 23, 2013, the Company filed a complaint against St George Investments, LLC ("St. George") in Superior Court, Ventura County California seeking declaratory relief as to contracts relating to the Company's May, 2012, purchase of the assets of Helix Wind from St. George for treasury stock then valued in excess of \$1.8 Million and a subsequent February, 2013, promissory note for \$275,000 executed under the terms of an amendment to the May, 2012, asset purchase agreement. The Company alleged that the Helix Wind asset purchase price had been substantially paid and, in fact, may have been overpaid in light of St. George's failure to deliver all of the intellectual property of Helix Wind. St. George interpreted the contracts and promissory note as entitling it to a windfall recovery above and beyond the asset purchase price and promissory note amount. On November 21, 2013, St George exercised its right as a non-California based entity to remove the action from the Ventura state court to the federal court sitting in Los Angeles, the United States District Court for the Central District of California. On November 26, 2013, St. George filed its answer and counterclaim seeking to enforce its interpretation of the contracts and to thereby collect approximately \$440,000 above and beyond what is otherwise due, plus costs and attorney fees. On February 3, 2014, the parties participated in a mediation session at the Federal Court and executed an agreement reflecting a settlement in principal (the "Settlement") which becomes binding only if the parties are unable to come to terms on more formal settlement agreements. The parties have since executed more formal settlement agreements which are included as an exhibit hereto. The basic terms of the Settlement required the issuance of an additional 5,000,000 shares of our common stock to St George under the Helix APA; required St. George to purchase additional shares of our common stock for \$300,000 (\$0.15 per share) which is a price above the market price at the time of the Settlement; fixed the amount due on the note issued to St George in connection with the Helix APA at \$600,000 and granted the Company certain prepayment rights. The Settlement provides for limitations on the amounts of our common stock that St. George may sell into the market.

Full and final settlement was completed on April 6, 2016.

NOTE 15 – Subsequent Events

Management has reviewed and evaluated subsequent events and transactions occurring after the balance sheet date, August 31, 2017, through the filing of this Annual Report on Form 10-K on December 14, 2017, and determined that the following additional subsequent events have occurred:

On September 1, 2017, the Company authorized 2,750,275 shares of common stock to be issued for \$20,000 at \$0.0727 per share pursuant to an Equity Purchase Agreement.

On September 25, 2017, the Company authorized 3,387,534 shares of common stock to be issued for \$20,000 at \$0.0590 per share pursuant to an Equity Purchase Agreement.

On October 4, 2017, the Company authorized 3,654,971 shares of common stock to be issued for \$20,000 at \$0.0547 per share pursuant to an Equity Purchase Agreement.

On October 12, 2017, the Company authorized 4,208,754 shares of common stock to be issued for \$20,000 at \$0.0475 per share pursuant to an Equity Purchase Agreement.

On October 25, 2017, the Company authorized 3,787,879 shares of common stock to be issued for \$30,000 at \$0.0792 per share pursuant to an Equity Purchase Agreement.

On October 31, 2017, the Company authorized 3,156,566 shares of common stock to be issued for \$25,000 at \$0.0792 per share pursuant to an Equity Purchase Agreement.

On November 13, 2017, the Company authorized 4,084,967 shares of common stock to be issued for \$25,000 at \$0.0612 per share pursuant to an Equity Purchase Agreement.

On November 21, 2017, the Company authorized 4,037,468 shares of common stock to be issued for \$25,000 at \$0.0619 per share pursuant to an Equity Purchase Agreement.

On December 4, 2017, the Company authorized 4,340,278 shares of common stock to be issued for \$25,000 at \$0.0576 per share pursuant to an Equity Purchase Agreement.

The Luke Hoppel Note, dated May 24, 2017, reached convertible status on November 24, 2017.

Management has reviewed and evaluated subsequent events and transactions occurring after the balance sheet date, August 31, 2017, through the filing of this Annual Report on Form 10-K on December 11, 2017, and determined that the following additional subsequent events have occurred:

On September 1, 2017, the Company authorized 2,750,275 shares of common stock to be issued for \$20,000 at \$0.0727 per share pursuant to an Equity Purchase Agreement.

On September 25, 2017, the Company authorized 3,387,534 shares of common stock to be issued for \$20,000 at \$0.0590 per share pursuant to an Equity Purchase Agreement.

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