2011 ANNUAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

A Nevada corporation.

CUSIP: 64157B 102
TRADING SYMBOL: NEVE

NEVO ENERGY, INC.
20400 Stevens Creek Blvd., Suite 740
Cupertino, CA 95014

NEVO ENERGY, INC.

2011 ANNUAL REPORT

The information set forth below follows Guidelines for Providing Adequate Current Information; as amended, outlined by OTC Markets, Inc., and generally follows the sequential format set forth in those rules. THIS ANNUAL REPORT HAS NOT BEEN FILED WITH THE SEC OR ANY OTHER REGULATORY AGENY. On February 24, 2009, we filed our Initial Company and Disclosure Statement with the OTC Disclosure and News Service under our Company page on OTC Markets.com, and certain exhibits hereto can be found thereunder.

This Annual Report contains certain forward looking statements, as defined in the Private Securities Litigation Reform Act of 1995, including or related to our future results, events and performance (including certain projections, business trends and assumptions on future financings), and our expected future operations and actions. In some cases, you can identify forward-looking statements by the use of words such as "may," "should," "plan," "future," "intend," "could," "estimate," "predict," "hope," "potential," "continue," "believe," "expect" or "anticipate" or the negative of these terms or other similar expressions. These forward-looking statements generally relate to our plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. In evaluating these statements, you should specifically consider the risks that the anticipated outcome is subject to, including the factors discussed under "RISK FACTORS" and elsewhere.

We previously were a shell company; therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.

PART A GENERAL COMPANY INFORMATION

Item I Name: NEVO ENERGY, INC.

Nevo Energy, Inc. was originally incorporated in Nevada on July 20, 1987 as "Swiss Cellular Laboratories, Inc." On June 15, 1995, we changed our name to "TMEX USA, Inc." As a result of a merger with Solargen Energy, Inc., a private Delaware corporation, on February 18, 2009, we amended our articles of incorporation and changed our name to "Solargen Energy, Inc."

On April 22, 2011, Solargen Energy, Inc. ("Solargen") announced on the OTC Markets' Exchange its intent to change its name to Nevo Energy, Inc. as a requirement of Solargen's Panoche Valley solar farm project asset sale.

On May 12, 2011 we amended our articles of incorporation and made all the necessary filings with FINRA and other regulatory agencies to enable Solargen's name to be updated on the OTC Markets Exchange to **Nevo Energy, Inc**. Solargen's stock symbol on the OTC Markets Exchanged was changed from SLGE to **NEVE** to correspond with the new Nevo Energy name. Nevo Energy's CUSIP is **64157B 102**.

Item II Address of the issuer's principal executive offices.

Issuer Principal Executive Office:

Nevo Energy, Inc.
20400 Stevens Creek, Suite 740, Cupertino, CA 95014
Attn: Adam McAfee, Chief Financial Officer
Phone: 408-418-2415
Fax: 408-510-6720
Email: amcafee@nevoenergy.com;
Web site: www.nevoenergy.com

Investor Relations Contact:

Liviakis Financial Communications, Inc.
655 Redwood Hwy, Suite 395
Mill Valley, CA 94941
Attn: Mr. John Liviakis
Phone: (415) 389-4670
Fax: (415) 389-4694
Email: john@liviakis.com
Web site: www.liviakis.com

Item III The jurisdiction(s) and date of the issuer's incorporation or organization.

The Issuer was originally incorporated in the State of Nevada on July 20, 1987.

PART B SHARE STRUCTURE

Item IV The exact title and class of securities outstanding.

The issuer has two classes of securities: Common Stock and Preferred stock. The issuer has four types of Preferred Stock: Series A Convertible Preferred Stock, Series B Convertible Preferred Stock, Series C Convertible Preferred Stock and undesignated Preferred Stock.

The CUSIP number: 64157B 102
The Company's trading symbol: NEVE
We currently trade on the OTC Markets Exchange found on the Internet at http://www.otcmarkets.com/.

Item V Par or stated value and description of the security.

A. ***Par or Stated Value.***
Common stock par value $0.0001 per share
Preferred stock par value $0.0001 per share

B. Common or Preferred Stock

We have both Common Stock and Preferred Stock authorized. We have four types of Preferred Stock: Series A Convertible Preferred Stock, Series B Convertible Preferred Stock, Series C Convertible Preferred Stock and Undesignated Preferred stock. The following summaries do not purport to be complete description of the terms and conditions of our securities, and are qualified entirely by reference to the Fourth Amended and Restated Articles of Incorporation, attached hereto as **Exhibit B**.

B-1. Common Stock Rights.

The holders of Common Stock are entitled to one vote for each share held of record on all matters on which the holders of common stock are entitled to vote under the laws of Nevada. The holders of common stock have no preemptive rights and they are not subject to further calls or assessments by the Company. The holders of common stock are entitled to receive, ratably after payment to holders of Preferred Stock, dividends when, as and if declared by the Board of Directors out of funds legally available.

B-2(a). Series A, B and C Series Preferred Stock Rights:

Pursuant to the terms of the Company's Amended Articles, the rights, preferences, and limitations of the Preferred Stock and Common Stock are summarized as follows:

Liquidation Preference. In the event of any liquidation or winding up of the Company, the holders of the Series A Preferred Stock, *pari-passu* with other series of Preferred Stock, shall be entitled to receive in preference to the holders of Common Stock an amount equal to one times (1x) the Series A Preferred Original Purchase Price ($1.00), plus any dividends accrued but unpaid on the Preferred Stock. In the event of any liquidation or winding up of the Company, holders of the Series B Preferred Stock, *pari-passu* with other series of Preferred Stock, shall be entitled to receive in preference to the holders of Common Stock an amount equal to two times (2x) the Series B Preferred Original Purchase Price ($1.00), plus any dividends accrued but unpaid on the Preferred Stock. In the event of any liquidation or winding up of the Company, holders of the Series C Preferred Stock, *pari-passu* with other series of Preferred Stock, shall be entitled to receive in preference to the holders of Common Stock an amount equal to one times (1x) the Series C Preferred Original Purchase Price ($3.00), respectively, plus any dividends accrued but unpaid on the Preferred Stock. After full payment of the liquidation preference under a liquidation or winding up of the Company, any remaining proceeds shall be paid to the holders of Common Stock.

Qualified Sale. In the event that the holders of two-thirds of the then outstanding shares of Preferred Stock (voting together) so elect by a written consent, the voluntary sale, conveyance, lease, exchange or transfer of a majority of the assets of the Corporation on a consolidated basis, or of a majority of the assets of any subsidiary of the Corporation, or a consolidation or merger of the Corporation, or any subsidiary of the Corporation, with one or more other corporations or other entities (where, as the result of such merger or consolidation, the stockholders of the Corporation, or any subsidiary of the Corporation, shall own less than 50% of the voting securities of the surviving corporation), it shall be deemed to be a "Qualified Sale." Upon a "Qualified Sale," the holders of Series A and Series B Convertible Preferred Stock shall be entitled to receive a distribution on each share of Series A or Series B Convertible Preferred Stock then held by them equal to the Liquidation Preference for such share of Series A or Series B Convertible Preferred Stock. In such event, the Series A and the Series B Convertible

Preferred Stock shall be paid their Liquidation Preference of their proportionate share on a *pari-passu* basis.

Dividends. Annual 5% non-cumulative dividends on Series A, Series B, and Series C Preferred Stock, payable when, as and if declared by the Board, and prior and in preference to any declaration or payment of dividends on other shares of capital stock. Payment of any dividends to the holders of the Preferred Stock shall be on a *pro rata*, *pari-passu* basis in proportion to the dividend rates for each series of Preferred Stock. For any other dividends or similar distributions, Preferred Stock participates with Common Stock on an as-converted basis.

Voting Rights. The Series A, Series B, and Series C Preferred Stock will vote together with the Common Stock and not as a separate class, except as specifically provided or as otherwise required by law. Each share of Series A, Series B, and Series C Preferred Stock shall have a number of votes equal to the number of shares of Common Stock then issuable upon conversion of such share of Series A, Series B, and Series C Preferred Stock.

Protective Provisions. So long as any shares of Series A, Series B, and Series C Preferred Stock are outstanding, the Company shall not without first obtaining the approval (by written consent, as provided by law) of the holders of at least two-thirds of the then outstanding shares of Preferred Stock, voting together as a class: (i) authorize a total liquidation, dissolution, winding up, recapitalization or reorganization of the Company; (ii) effect an exchange, reclassification, or cancellation of all or a part of the Series A, Series B, and Series C Preferred Stock; (iii) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A, Series B, and Series C Preferred Stock; (iv) effect an exchange, or create a right of exchange, of all or part of the shares of another class of shares into shares of Series A, Series B, and Series C Preferred Stock; or (v) alter or change the rights, preferences or privileges of the shares of Series A, Series B, and Series C Preferred Stock so as to affect adversely the shares of such series, including the conversion rate.

Optional Conversion. The holders of the Series A, Series B, and Series C Preferred Stock shall have the right to convert their shares of Series A, Series B, and Series C Preferred Stock, at any time, into shares of Common Stock at the then effective conversion rate. The conversion rate of the Series A, Series B, and Series C Preferred Stock is one share of Common Stock shares for each share of Series A, Series B, and Series C Preferred Stock, respectively, subject to adjustment as provided in the Amended Articles.

Mandatory Conversion. Each share of Series A, Series B, and Series C Preferred Stock shall be automatically converted to Common Stock if the Company: (a) consummates the sale of its capital stock at a sale price equal to or exceeding $3.00 per share and the aggregate proceeds to the Company equal to or exceed $20,000,000, and (b) becomes a publicly reporting company under the Securities and Exchange Act of 1934, as amended and the Corporation's Common Stock is traded on a national exchange;

Further, each share of Series A, Series B, and Series C Preferred Stock shall be automatically converted to Common Stock if the holders of the majority of the then outstanding shares of Preferred Stock elect to consummate an automatic conversion.

Additionally, each share of Series B Preferred Stock shall be automatically converted to Common Stock, if the Liquidation Preference of the outstanding Series B Preferred Stock has been paid in full pursuant to one or more Qualified Sales.

Adjustments. The conversion rate of the Series A, Series B, and Series C Preferred Stock will be adjusted in the event of any subdivisions or combinations of the Company's Common Stock. The applicable Dividend Rate, Original Issue Price and Liquidation Preference of the Preferred Stock will be adjusted for any subdivisions or combinations of the Company's Preferred Stock.

Preemption. The holders of Series A, Series B, and Series C Preferred Stock have no preemptive rights; however, certain holders of Series A and Series B Preferred Stock have negotiated a right of first refusal on sales of future equity offerings of the Company under the Stockholders Agreement referenced above.

Redemption. The Company has no obligation to redeem the Common Stock or Series A, Series B and Series C Preferred Stock; provided however, that each share of Series A Preferred Stock (but not less than all) shall be considered automatically redeemed and cancelled upon the full payment of the Liquidation Preference to all outstanding holders of Series A Preferred Stock pursuant to one or more Qualified Sales.

B-2(b). Undesignated Preferred Stock

The Undesignated Preferred stock was authorized without additional description or details and may be amended by the Board of Directors. There are no dividends, voting, conversion, or liquidation rights at this time.

B.3. Other material rights of common or preferred stockholders.

None

B-4. Any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control or the issuer.

Nevo Energy, Inc. (formerly known as Solargen Energy, Inc.), a Nevada corporation, filed its Change of Control Agreement on June 30, 2010 as a Supplemental Information statement published on the OTC Disclosure and News Service and is hereby incorporated herein by reference.

Item VI The number of shares or total amount of the securities outstanding for each class of securities authorized.

(i) AS OF MARCH 30, 2012:

(ii) As of March 30, 2012, the issuer currently has an authorized capitalization consisting of 500,000,000 shares of common stock, $0.0001 par value ("Common Stock"); and 100,000,000 authorized shares of Preferred Stock, including (a) 5,000,000 authorized shares of Series A Preferred Stock, $0.0001 par value ("Series A Preferred Stock"), (b) 10,000,000 authorized shares of Series B Preferred Stock, $0.0001 par value ("Series B Preferred Stock"), (c) 10,000,000 authorized shares of Series C Preferred Stock, $0.0001 par value ("Series C Preferred Stock"), and (d) 75,000,000 remaining undesignated authorized shares of preferred stock ("Undesignated Preferred Stock") (collectively, the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and the Undesignated Preferred Stock shall be collectively referred to herein as the "Preferred Stock").

(iii) There are 14,935,448 shares of Common Stock issued and outstanding, 4,817,500 shares of Series A Preferred Stock issued and outstanding, 5,000,000 shares of Series B Preferred Stock issued and outstanding, and no shares of Series C Preferred Stock or Undesignated Preferred Stock issued or outstanding.

(iv) There were approximately 18,011 freely tradable shares.

(v) The issuer had approximately 404 beneficial shareholders.

(vi) The issuer had approximately 343 shareholders of record holding Common Stock and 63 shareholders of record holding Preferred Stock.

(i) AS OF THE YEAR ENDED DECEMBER 31, 2011:

(ii) As of December 31, 2011, the issuer currently has an authorized capitalization consisting of 500,000,000 shares of common stock, $0.0001 par value ("Common Stock"); and 100,000,000 authorized shares of Preferred Stock, including (a) 5,000,000 authorized shares of Series A Preferred Stock, $0.0001 par value ("Series A Preferred Stock"), (b) 10,000,000 authorized shares of Series B Preferred Stock, $0.0001 par value ("Series B Preferred Stock"), (c) 10,000,000 authorized shares of Series C Preferred Stock, $0.0001 par value ("Series C Preferred Stock"), and (d) 75,000,000 remaining undesignated authorized shares of preferred stock ("Undesignated Preferred Stock") (collectively, the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and the Undesignated Preferred Stock shall be collectively referred to herein as the "Preferred Stock").

(iii) There are 14,935,448 shares of Common Stock issued and outstanding, 4,817,500 shares of Series A Preferred Stock issued and outstanding, 5,000,000 shares of Series B Preferred Stock issued and outstanding, and no shares of Series C Preferred Stock or Undesignated Preferred Stock issued or outstanding.

(iv) There were approximately 18,011 freely tradable shares.

(v) The issuer had approximately 404 beneficial shareholders.

(vi) The issuer had approximately 343 shareholders holding Common Stock and 63 shareholders holding Preferred Stock.

(i) AS OF THE YEAR ENDED DECEMBER 31, 2010:

(ii) As of December 31, 2010, the issuer currently has an authorized capitalization consisting of 500,000,000 shares of common stock, $0.0001 par value ("Common Stock"); and 100,000,000 authorized shares of Preferred Stock, including (a) 5,000,000 authorized shares of Series A Preferred Stock, $0.0001 par value ("Series A Preferred Stock"), (b) 10,000,000 authorized shares of Series B Preferred Stock, $0.0001 par value ("Series B Preferred Stock"), (c) 10,000,000 authorized shares of Series C Preferred Stock, $0.0001 par value ("Series C Preferred Stock"), and (d) 75,000,000 remaining undesignated authorized shares of preferred stock ("Undesignated Preferred Stock") (collectively, the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and the Undesignated Preferred Stock shall be collectively referred to herein as the "Preferred Stock").

(iii) There are 14,935,448 shares of Common Stock issued and outstanding, 4,817,500 shares of Series A Preferred Stock issued and outstanding, 5,000,000 shares of Series B Preferred Stock issued and outstanding, and no shares of Series C Preferred Stock or Undesignated Preferred Stock issued or outstanding.

(iv) There were approximately 18,011 freely tradable shares.

(v) The issuer had approximately 404 beneficial shareholders.

(vi) The issuer had approximately 343 shareholders holding Common Stock and 63 shareholders holding Preferred Stock.

(i) **AS OF THE YEAR ENDED DECEMBER 31, 2009:**

(ii) As of December 31, 2009, the issued had an authorized capitalization consisting of 500,000,000 shares of common stock, $0.0001 par value ("Common Stock"); and 100,000,000 authorized shares of Preferred Stock, including (a) 5,000,000 authorized shares of Series A Preferred Stock, $0.0001 par value ("Series A Preferred Stock"), (b) (a) 10,000,000 authorized shares of Series B Preferred Stock, $0.0001 par value ("Series B Preferred Stock"), and (c) 85,000,000 remaining undesignated authorized shares of preferred stock ("Undesignated Preferred Stock") (collectively, the Series A Preferred Stock the Series B Preferred Stock and the Undesignated Preferred Stock shall be collectively referred to herein as the "Preferred Stock").

(iii) As of December 31, 2009 the Issuer had 14,924,083 shares of Common Stock and 4,337,500 shares of Series A Preferred Stock issued no shares of Series B Preferred Stock or Undesignated Preferred Stock issued or outstanding.

(iv) There were approximately 6,206 shares freely tradable.

(v) The Company had approximately 343 beneficial shareholders.

(vi) The Company had approximately 334 shareholders holding Common Stock and 31 shareholders holding Preferred Stock.

(i) **AS OF THE YEAR ENDED DECEMBER 31, 2008:**

(ii) There were 100,000,000 shares of common stock authorized, and no authorized or issued preferred stock.

(iii) As of December 31, 2008 the Issuer had 85,515,107 shares of Common Stock issued and outstanding and no shares of Preferred Stock issued and outstanding.

(iv) There were approximately 43,376,774 shares freely tradable.

(v) The Company had approximately 573 beneficial shareholders.

(vi) The Company had approximately 579 shareholders of record.

Item VII **The name and address of the transfer agent.**

Transfer Online, Inc.
512 SE Salmon Street, Portland, OR 97214
Telephone: (503) 227-2950 • http://www.TransferOnline.com

We have been informed by our transfer agent that Transfer Online is registered under the Securities Exchange Act of 1934, as amended, and the Securities and Exchange Commission.

PART C BUSINESS INFORMATION

Item VIII The nature of the issuer's business.

A. Business Development:

Nevo Energy, Inc. (the "Issuer" or the "Company"), is a Nevada corporation formerly known as Solargen Energy, Inc., TMEX USA, Inc, and originally incorporated on July 20, 1987 as "Swiss Cellular Laboratories, Inc." The TMEX USA merged with Solargen Energy, Inc., a private development-stage solar company on February 18, 2009. From October 2006 to April 2011 Solargen Energy, Inc. pursued developing a large-scale photovoltaic solar farm in Panoche Valley, California. We sold our land options and development permits in April 2011 to PV2 Energy LLC for a residual interest.

Prior to being in the solar farm development as Solargen Energy, Inc., we conducted business as "TMEX USA, Inc.," an international telecommunications provider of wholesale and retail voice, video, data and Internet services via a computer network and laser communication connection from the USA to Mexico. TMEX USA listed its shares on the OTCBB market, but failed to remain current on its SEC filings after filing a Form SB-1 with the Securities and Exchange Commission on May 4, 2000. TMEX USA ceased operations in mid-2000, and on August 11, 2000, filed a Withdrawal of Registration Statement Request Pursuant to Rule 477 (a) and (c) promulgated pursuant to the Securities Act of 1933, as amended, for the Registration Statement on Form SB-1 with the Securities and Exchange Commission. TMEX USA entered a Chapter 7 bankruptcy in 2002 and was discharged from bankruptcy in December 2003.

In May 2006, a new group of investors acquired a controlling interest in the Company. On May 22, 2006 the Company filed a FORM 15 CERTIFICATION AND NOTICE OF TERMINATION OF REGISTRATION UNDER SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934 OR SUSPENSION OF DUTY TO FILE REPORTS UNDER SECTIONS 13 AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

In October 2006, a controlling interest in TMEX USA was acquired by a group of new investors, who were seeking a merger partner for the Company, and Brian Sherer was appointed as the sole officer and director of the Company.

On January 9, 2009, Solargen Energy, Inc. ("Solargen Private"), a Delaware privately-held corporation, and the Issuer (formerly known as TMEX USA, Inc.) entered into a definitive merger agreement ("Merger Agreement") providing for the merger ("Merger") of Solargen Private with and into a wholly-owned subsidiary of the Issuer ("Subsidiary"). The Merger was consummated on February 18, 2009. Under the terms of the Merger Agreement, the Issuer amended its articles of incorporation, changed its name to "Solargen Energy, Inc.," changed its trading symbol to SLGE, and effectuated a reverse stock split on a 2,001:1 basis, effective on the closing of the Merger (the "Reverse Split"). As a result of the Merger and the Reverse Split, 14,747,288 shares of Common Stock of the Issuer were issued to the former Solargen Private stockholders resulting in their ownership of approximately 99% percent of the Issuer. Further, 150,000 shares of common stock (on a post-Reverse Split basis) were issued immediately following the merger in connection with past services rendered to the Issuer. The current officer and directors of the Issuer were the officers and director of Solargen Private.

The Issuer uses a December 31 fiscal year end date.

In association with the Merger consummated on February 18, 2009, Solargen Energy, Inc. a Nevada corporation, inherited tax liens from TMEX USA, Inc. for delinquent 2001 and 2002 payroll tax deposits. Several offers of compromise and ongoing negotiations with the Internal Revenue Service and California Franchise Tax board have not resolved the matter. The tax liens remain a liability on the books of Solargen Energy, Inc. for both the Federal and California state obligations. Appropriate accruals for potential future liabilities associated with these tax liens have been registered on the books of Solargen Energy, Inc.

Beginning October 2006 Nevo Energy, acting at the time with the name "Solargen Energy, Inc." ("Solargen") developed a 399-megawatt (MW) photovoltaic solar farm located in the Panoche Valley of San Benito County, California (the "Project").

To develop the Panoche Valley California project, site control was gained through acquiring options to purchase land contracts on 16,135 acres of prime solar land and 10,864 acres of environmental mitigation easement land. When fully constructed, the 399 MW solar farm is estimated to cover only approximately 2,300 acres, while the remainder of the land will be used for environmental mitigation. Two 230 kilovolt transmission lines owned by Pacific Gas and Electric Company ("PG&E") cross the property. In October 2010, the Final Environmental Impact Report and Use Permits were approved by the San Benito County Board of Supervisors. Both a 20 megawatt ("MW") Small Generator Interconnect Procedure ("SGIP") and a 400 MW Large Generator Interconnect Procedure ("LGIP") Interconnect application were submitted to the California Independent System Operators ("CAISO") to connect to the PG&E during 2010.

After the successful approval of the Panoche Valley solar farm Final Environmental Impact Report ("Final EIR") on October 12, 2010, Solargen Energy, Inc., the developer, and San Benito County, the sponsor organization, for the California Environmental Quality Act ("CEQA") process were sued on November 17, 2010 by Save Panoche Valley and the Santa Clara Audubon Society (Case number: CU-10-00220) claiming that San Benito County had not complied with the CEQA process. The Case was dismissed after adjudication by a San Benito County Superior Court Judge in mid 2011.

In February 2011 Solargen chose not to post the $7.54 million letter of credit as the first financial commitment towards a CAISO estimated total transmission upgrade cost of approximately $165 million to maintain Solargen's Interconnection Request. The Company paid the $250,000 fee to participate in the subsequent CAISO's Cluster 3 study during March 2011.

On April 19, 2011 Solargen executed definitive agreements with PV2 Energy, LLC, a California limited liability company ("PV2"), to sell the Panoche Valley Solar Farm assets (the "PVSF" or "Project"). Solargen shareholders will continue to have a financial stake in the project through liquidation rights from PV2 providing for 15% of net proceeds received by PV2 on the sale or partial sale of the PVSF asset. Certain Solargen employees, including Solargen's Vice President of Project Development and Officer, Eric Cherniss, and advisor, John Pimentel, joined PV2 Energy to keep the project moving forward. In addition, the majority of Solargen's vendors will continue to be dedicated to moving the project toward completion.

Going forward, the Company will seek out new renewable energy projects and related business opportunities. We have been financed through the raising of debt and equity capital and anticipate we will continue to operate at a loss for some time. Currently we do not have enough capital to meet operational needs. For the foreseeable future, we expect to rely on funds raised from Company insiders, external debt and equity investment to provide for operating expenses. We currently have no binding commitments for external or internal sources of additional capital.

B. Business of Issuer.

B-1. The Issuer's primary and secondary SIC codes are: 4911, and 4931, respectively.

B-2. The Issuer has conducted or has attempted to conduct operations in several other industries in the past. From October 2006 to April 2011 Solargen Energy, Inc. confined its efforts to developing large-scale and commercial solar farms. After the sale of the Solargen's Panoche Valley solar farm, Nevo Energy, Inc. has pursued other business opportunities in the renewable energy and other industries. The Issuer continues to operate as a development stage company.

B-3. The Issuer was previously a "shell company."

We previously were a shell company; therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.

B-4 The Issuer, Nevo Energy, Inc., owns 100% of Solargen Energy, Inc., a Delaware corporation, and this entity is in the same line of business as the Issuer. The Issuer further owns 100% of Solargen Holdings, Inc., a Delaware corporation. Solargen Holdings, Inc. was created to hold assets and raise project financing related to the first 210 MW of development of the Issuer's 399 MW solar project in Panoche Valley, California. The Issuer further owns 100% of Solargen Commercial Services, Inc., a Delaware corporation formed for the purpose of developing smaller commercial-scale solar projects. The Issuer further owns 100% of Solargen Development, LLC, a Delaware limited liability company formed for the purpose of project financing. The assets and liabilities of these subsidiaries are consolidated in the financial statements attached to this disclosure statement.

B-5. Currently, there are two employees in the Company. The Issuer relies extensively on outside consultants (legal, environment and technical) to assist in its business efforts.

Item IX The nature of products or services offered.

A. Principal Products or Services, and their Markets
The Company's principal products and services will be determined through a future merger with a promising business opportunity.

B. Distribution methods of the products or services
The Company is in the development stage and is not involved with the distribution of any products or services at this time.

C. Status of any publicly announced new products or services
There are no publicly announced new products or services at the present time.

D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition

We operate in a competitive environment. We will be competing with major international and domestic companies with substantially greater resources than our own. Our major competitors

include well-funded public and private companies. Our competitors may have greater market recognition and substantially greater financial, technical, marketing, distribution, purchasing, manufacturing, personnel and other resources than we do. Many of our competitors are developing and are currently producing and/or installing products. Many of our current and potential competitors have longer operating histories, greater name recognition, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we do. As a result, they may be able to respond more quickly to changing customer demands or to devote greater resources to the development, promotion and sales of products than we can.

Some of our competitors own, partner with, have longer term or stronger relationships with competitors, which could result in our competitors receiving more favorable terms than we can. It is possible that new competitors or alliances among existing competitors could emerge and rapidly acquire significant market share, which would harm our business. If we fail to compete successfully, our business would suffer and we may lose or be unable to gain market share.

In addition, we may face international. Increased competition could result in price reductions, reduced margins or loss of market share and greater competition for qualified technical personnel. There can be no assurance that we will be able to compete successfully against current and future competitors. If we are unable to compete effectively, or if competition results in a deterioration of market conditions, our business and results of operations would be adversely affected.

E. Sources and availability of raw materials and the names of principal suppliers

The Company does not intend to rely on any particular supplier.

F. Dependence on one or a few major customers

The Company is a development stage company and is not in the production stage. The Company does not have any customers at this point in time. However, in the future, our success will be dependent on our ability to negotiate an economically feasible customer arrangement.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration

None.

H. The need for any government approval of principal products or services; Discuss the status of any requested government approvals.

We conduct our daily business under the guidelines of the State of California. The Company at this time does not need and has not requested government approval on its products or services.

Item X The nature and extent of the issuer's facilities.

We are currently under a non-cancelable sublease arrangement with Aemetis, Inc. (formerly known as AE Biofuels, Inc.) for approximately 3,000 square feet of office space in Cupertino, California. This lease expires May 31, 2012 and requires payment of rent plus our share of operating expenses.

For further information see Material Contracts under Item XVIII Section I, Part F.

PART D MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Executive Officers And Directors:

Michael L. Peterson
Chairman of the Board, President and Chief Executive Officer
Nevo Energy, Inc.
20400 Stevens Creek, Suite 740
Cupertino, CA 95014

Mr. Peterson has served as Chairman of the Board, and President and Chief Executive Officer ("CEO") since February 18, 2009. He has served as President and Chairman of the Board of our subsidiary, also known as Solargen Energy, Inc., a Delaware corporation, since December 2008. Mr. Peterson joined Goldman Sachs, & Co. in 1989 and served as a Vice President. In 2000 he left Goldman Sachs to join Merrill Lynch as a First Vice President to form and help launch its Private Investment Group and was with Merrill Lynch until July 2004. In 2005, Mr. Peterson founded his own investment firm, Pascal Management LLC, a registered investment advisor. Mr. Peterson has served as a member of AE Biofuels, Inc.'s (AEBF) Board of Directors since February 2006. Since May 2008, Mr. Peterson has been a director of Blast Energy, Inc., a lateral oil drilling services company (BESV.OB). Further, Mr. Peterson was formerly a director of Navitas Corporation, an energy company, which merged with publicly traded CAMAC Energy Inc. (CAK) in July 2008. Further, Mr. Peterson formerly served as Managing Member of Navitas Capital, LLC, a privately held investment holding company from February 2008 to December 2008. Mr. Peterson received his MBA from Brigham Young University.

Mr. Peterson receives a salary accrual of $144,000 per year from the Company.

Mr. Peterson beneficially owns 3,060,430 shares of the Company's Common Stock, including (i) 703,488 shares of Nevo Common stock owned by Michael L. Peterson and Shelley P. Peterson, Trustees of The Peterson Family Trust dtd 8/16/00; (ii) 250,000 shares of Nevo Common Stock held by MLPING Family Investments, LLC, a fund owned and controlled by Mr. Peterson and his family; (iii) 1,942 shares of Nevo Common Stock owned beneficially through Navitas Capital, LLC, a limited liability company owned 4.55% by Mr. Peterson; (iv) vested options to purchase 400,000 shares of Common Stock under the Solargen 2009 Stock Incentive Plan issued in October 2009 and 1,680,000 vested shares issued in the August 2010 Amended Plan; (v) 25,000 Solargen Common shares owned by Pascal Investment Fund, LLC, which Peterson manages and partially owns 42% of the fund, which causes him to disclaim ownership of 14,500 common shares owned by the fund, and (vi) Mr. Peterson also disclaims ownership of 25,000 shares each, issued to Mr. Eddie M. Peterson, and Rex D. Pinegar, Mr. Peterson's father, and father-in-law, respectively.

Eric A. McAfee
Founder and Director
Nevo Energy, Inc.
20400 Stevens Creek, Suite 740
Cupertino, CA 95014

Mr. McAfee has served as a Director of Nevo Energy, Inc., a Nevada corporation, since February 18, 2009. He also serves as a Director of all of the Nevo subsidiaries. He founded Nevo Energy, Inc. in October 4, 2006 to develop utility-scale solar farms. Mr. McAfee co-founded Aemetis, Inc. (formerly known as AE Biofuels, Inc.; stock symbol AEBF) in 2005 and has served as its Chairman of the Board since February 2006. Mr. McAfee was appointed Aemetis' Chief Executive Officer in February 2007. Since 1998, Mr. McAfee has been a principal of Berg McAfee Companies, an investment company. Since 2000, Mr. McAfee has been a principal of Cagan McAfee Capital Partners ("CMCP") through which Mr. McAfee has founded or acquired ten energy and technology companies. In 2003, Mr. McAfee co-founded Pacific Ethanol, Inc. (Nasdaq PEIX), a West Coast ethanol producer and marketer.

Mr. McAfee receives a $60,000 per year professional fees accrual from the Company as compensation for directorship services.

Mr. McAfee beneficially holds 3,700,000 shares of Common Stock of the Company, including (i) 3,200,000 shares owned by McAfee Capital, LLC, a fund owned 100% by Mr. McAfee and (ii) 500,000 shares owned by P2 Capital, LLC, a fund owned by Mr. McAfee's wife.

G. Robert Powell
Director
Nevo Energy, Inc.
20400 Stevens Creek, Suite 740
Cupertino, CA 95014

Mr. Powell has served as a Director of the Company since June 24, 2010. He also serves as a Director of all of Nevo's subsidiaries. Mr. Powell acts as President and Chief Executive Officer of Solar Power Partners (SPP). Mr. Powell was previously a Vice President and Chief Financial Officer of Pacific Gas and Electric Company, the utility division of PG&E, which provides gas and electric services to over 5 million customers in California. Prior to PG&E, Mr. Powell was a Partner in the national energy practice of PriceWaterhouseCoopers LLP. At PriceWaterhouseCoopers, he advised clients on financial restructurings, Sarbanes-Oxley implementation, SEC reporting, and commodity trading strategies and controls. Mr. Powell was also previously a Partner in the worldwide energy and communications practice of Arthur Andersen LLP, where he managed numerous project financing transactions. Mr. Powell holds the CPA distinction and earned a BS in Electrical Engineering and an MS in Management, both from the Georgia Institute of Technology.

Mr. Powell receives a $60,000 per year professional fees accrual from the Company as compensation for directorship services.

Mr. Powell beneficially owns 256,213 vested shares of Common Stock of the Company, including (i) 156,213 vested Common stock options granted under the 2009 Employee Stock; and (ii) 100,000 vested Common stock options granted under the August 2010 Amended Employee Stock Plan.

Adam M. McAfee
Chief Financial Officer
Nevo Energy, Inc.
20400 Stevens Creek, Suite 740,
Cupertino, CA 95014

Mr. Adam McAfee has served as Chief Financial Officer ("CFO") of Nevo Energy since February 18, 2009. He also serves as the CFO of our subsidiaries. He has served as CFO of Nevo Energy, Inc., a Delaware corporation, since December 2008, and formerly was President of this subsidiary from October 2006 until December 2008. He formerly served as CFO in February 2006 and was then promoted to CEO of Navitas Corporation in March 2006, an energy company, which merged with publicly traded CAMAC Energy Inc. (CAK) in July 2008. Mr. McAfee has served as the Managing Member of Park Capital Management, LLC since November 2003, a fund that manages assets acquired through PIPE and private equity investments in technology and renewable energy companies. Mr. McAfee served over eleven years in various Senior Financial Manager and Controller roles in the WWFP&A, Sales, R&D and Operations divisions of Apple, Inc. from August 1994 to January 2006. Since February 2008 Mr. McAfee has been Managing Member of Navitas Capital, LLC, a privately held investment holding company. Since August 2006 Mr. McAfee has also served as founder, President and Chairman of McAfee Charitable Ventures, a private non-profit foundation. Mr. McAfee received his MBA from the University of California, Irvine, graduated from the Harvard Private Equity and Venture Capital Program and is qualified as a Certified Management Accountant with the Institute of Management Accountants.

Mr. Adam McAfee receives a $120,000 per year compensation accrual from the Company.

Mr. Adam McAfee beneficially owns or controls through various entities 1,755,914 Common shares of Nevo Energy Common Stock, including (i) 40,000 shares distributed from Park Capital X LP, a limited partnership; (ii) 300,000 shares of Nevo Common Stock owned by Park Capital Private Equity, LP, with Adam McAfee acting as the sole limited partner; (iii) 500,000 common shares held by Adam McAfee; (iv) 42,731 shares as Managing Member of Navitas Capital LLC, but disclaims 40,789 shares leaving 1,942 Nevo Common shares individually owned; (v) 10,692 common shares through Park Capital Management LLC with Adam McAfee acting as the sole managing member; (vi) 2,491 post-reverse split shares of Common Stock beneficially held originally in TMEX USA through Park Capital Management, LLC and 9,965 shares owned through Navitas Capital, LLC; (vii) 8,500 shares are owned by McAfee Charitable Ventures, a non-profit private foundation, of which Adam McAfee is Chairman and President, but disclaims all 8,500 shares, and (viii) vested options to purchase 200,000 shares of Common under the Solargen 2009 Stock Incentive Plan, and 660,000 fully vested common shares from the August 2010 Amended Option Plan.

Control Persons, Advisors and Significant Shareholders

Eric Cherniss
Former Vice President of Project Development
Nevo Energy, Inc.
20400 Stevens Creek, Suite 740,
Cupertino, CA 95014

Mr. Cherniss served as Vice President of Project Development from February 18, 2009 to April 2011. He also held the same position in one of our subsidiaries, also known as Solargen Energy, Inc., a Delaware corporation, since December 2008. From 2004 to 2007, he served in various

positions in semiconductor manufacturing and project development at Cypress Semiconductor. In 2004 Mr. Cherniss graduated with a bachelors degree in Electrical Engineering from the University of Southern California.

Mr. Cherniss beneficially owns 1,700,000 shares of Common Stock of the Company. Mr. Cherniss owns 500,000 common shares acquired as founder shares or through repurchase agreements. Mr. Cherniss further has vested options to purchase 200,000 shares of Common Stock under the Solargen 2009 Stock Incentive Plan issued in October 2009 and 1,000,000 vested options granted in August 2010.

Liviakis Financial Communications, Inc.
655 Redwood Highway, Suite #395
Mill Valley, CA 94941

Liviakis Financial Communications, Inc. has been in business since 1986 and acts as the Company's Investor Relations Firm. Liviakis Financial Communications beneficially owns 1,000,000 shares of Common Stock of the Company, which it acquired as compensation for services rendered as the Company's investor relations firm. Mr. Liviakis also owns 10,000 common stock shares purchased during the Company's five cent round of financing.

Laird Q. Cagan
Advisor, Placement Agent
Nevo Energy, Inc.
20400 Stevens Creek, Suite 700,
Cupertino, CA 95014

Laird Q. Cagan is an advisor of the Company, and through Colorado Financial Service Corporation, acted as the Company's placement agent. Mr. Cagan is a co-founder and, since 2001, has been Managing Director of Cagan McAfee Capital Partners, LLC ("CMCP"), a merchant bank based in Cupertino, California. Since 2009, Mr. Cagan has also been a Registered Representative of Colorado Financial Service Corporation, an NASD licensed broker-dealer. He also continues to serve as President of Cagan Capital, LLC, a merchant bank he formed in 1990. Mr. Cagan has served or serves on the Board of Directors of the following companies: Fortes Financial, Inc (since 2006); Evolution Petroleum Corporation, (since 2004, where Mr. Cagan is also a co-founder and Chairman); AE Biofuels, Inc., (from 2006-2008, where Mr. Cagan is also a co-founder); Real Foundations, Inc., a real estate focused consulting firm (from 2000 to 2004); Burstein Technologies, (from 2005 to 2006); WorldSage, Inc., (since 2006); and TWL Corporation (since 2007).

Mr. Cagan beneficially owns 1,031,369 shares of Common Stock of the Company, including: 1,000,000 shares held by Cagan Capital, LLC, a fund owned by Mr. Cagan; and 6,369 shares of Common Stock of the Company earned personally by exercising placement agent warrants received for work performed raising funds for the Company's Series A Preferred Stock offering. Mr. Cagan's children own 25,000 common shares in the Company stock through the Kiana and Kyla Cagan Trusts.

Colorado Financial Service Corporation, where Mr. Cagan acts as Registered Representative, earned a placement agent fee of 8% of the gross equity proceeds directly raised by Colorado Financial Service Corporation in the Company's 2008-2009 private placements, and a 2% expense reimbursement fee, in addition to warrants totaling 10% of the equity securities raised by

Colorado Financial Service Corporation. The Company's placement agent relationship with Colorado Financial Service Corporation has expired.

B. Legal/Disciplinary History.

None in the last five years.

C. Disclosure of Family Relationships

Eric A. McAfee, Director of the Company, and Adam M. McAfee, Chief Financial Officer of the Company, are brothers.

D. Disclosure of Related Party Transactions:

Investment Advisory Firm.
Liviakis Financial Communications, Inc., Nevo's investment relations firm, became a significant stockholder of the Company (see above) in exchange for entering into a consulting agreement for investor relations services for three years, beginning in February 2009.

Placement Agent Agreement.
Laird Cagan is a significant stockholder of the Company (see above), and Mr. Cagan is also registered representative of Colorado Financial Service Corporation ("Colorado"), the Company's non-exclusive placement agent for private placements. Pursuant to our Advisory Agreement with Colorado we shall pay a cash fee equal to 8% of gross equity proceeds raised by Chadbourn in a private placement, a 2% unallocated expense reimbursement for all funds raised in a private placement, and common stock warrants equal to 10% of the shares placed by Colorado in a private placement. This placement agent agreement is terminable at any time by either party.

E. Disclosure of Conflicts of Interest:

The officers and directors of the Company own approximately 30.1% of the issued and outstanding stock of Company. Laird Cagan, a significant stockholder, is also a Registered Representative of Colorado Financial Service Corporation, one of the Company's placement agents (see above). Further, certain officers and directors also currently hold executive positions with other companies (see Part D, XI A above).

Item XII Financial information for the issuer's most recent fiscal period.

Unaudited Financial Statements for the fiscal year ended December 31, 2011 are attached at the end of this Annual Report as **Exhibit A**, and are incorporated herein by reference.

Exhibit A includes the following unaudited financial statements for the fiscal year ended December 31, 2011, incorporated herein by reference, and prepared in accordance with generally accepted accounting principles:

1. Balance Sheet;
2. Statement of Operations;
3. Statement of Cash Flows;
4. Statement of Changes to Stockholders' Equity; and
5. Financial Notes.

After the year 2000 and prior to the merger with Solargen Energy, Inc. in February 2009, TMEX USA was inactive and did not provide public information about the Company's activities.

Item XIII Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Exhibit A, attached hereto, also provides the following unaudited financial statements for the fiscal years ended December 31, 2010 and inception to date from October 4, 2006 to December 31, 2011, and are incorporated herein by reference, and prepared in accordance with generally accepted accounting principles:

1. Balance Sheet;
2. Statement of Operations;
3. Statement of Cash Flows;
4. Statement of Changes to Stockholders' Equity; and
5. Financial Notes.

The unaudited financial statements for the fiscal year ended December 31, 2009 are available on the OTC Markets web site by going to the following link:

http://www.otcmarkets.com/financialReportViewer?symbol=NEVE&id=30467

Item XIV Beneficial Owners.

The following table sets forth information with respect to the beneficial ownership of Nevo Energy, Inc. by any person or group who beneficially owns more than 5% of any class of its capital stock.

Name of Beneficial Owner	Securities Beneficially Owned (1) Common Shares & Vested Options	% of Fully-Diluted
UMC Capital Corporation (2)	6,480,000	24.7%
Eric McAfee, Director (3)	3,700,000	14.9%
Michael Peterson, Chairman, President and CEO (4)	3,060,430	11.4%
Chinatrust Venture Capital (5)	3,000,000	11.4%
Adam McAfee, CFO (6)	1,755,914	6.9%
Eric Cherniss (7)	1,700,000	6.9%
Laird Cagan (8)	1,031,369	4.2%
John Liviakis (9)	1,010,000	4.1%
John Pimentel (10)	1,000,000	4.0%
Nevo Executives & Directors as a group (11)	8,772,557	30.1%

(1) Based on 14,935,448 shares of Common Stock of the Company issued and outstanding and 4,817,500 shares of Series A Preferred Stock issued and outstanding and 5,000,000 shares of Series B Preferred Stock issued and outstanding. Therefore, 24,752,948 Total Shares are issued and outstanding before considering 10,572,187 dilutive shares of options and warrants outstanding shown in the following table.

Description	Shares
Common Stock Warrants	307,289
Common Stock Placement Warrants earned on Series A	44,685
Common Stock Placement Warrants earned on Series B	14,000
Equity Warrants - Series B	5,000,000
Employee Common Stock Options granted	5,206,213
Total Dilutive Shares	10,572,187

This calculation further does not include 1,398,037 authorized Employee Common Stock options reserved for issuance under the Solargen 2009 Stock Incentive Plan and as amended in August of 2010. There are 6,604,250 total Authorized Employee Common Stock Options under the existing Plan, of which 5,206,213 have been issued to employees. Total Employee Option Plan shares are subject to automatic share increases beginning 2011 of a maximum of 1,000,000 shares per year (or 3% of the total number of shares outstanding), and subject to approval by the Board of Directors.

(2) Includes 3,480,000 shares of Series A Preferred Stock. UMC Capital Corporation owns 72.2% of the Solargen Series A Preferred Stock round of financing. In addition, it includes 1,500,000 shares of Series B Preferred Stock. UMC Capital Corporation owns 30% of the Solargen Series B Preferred Stock round of financing.

(3) Includes (i) 3,200,000 shares owned by McAfee Capital, LLC, a fund 100% owned by Eric McAfee and (ii) 500,000 shares owned by P2 Capital, LLC, a fund owned by Eric McAfee's wife. Eric McAfee disclaims beneficial ownership of 300,000 shares owned by Park Capital Private Equity, LP, a limited partnerships administered by Eric McAfee's brother, Adam McAfee, and whose limited partners include Eric McAfee's family. In addition, Eric McAfee disclaims beneficial ownership of 13,183 common shares owned by Park Capital Management, LLC, a fund managed by Eric McAfee's brother, Adam McAfee. In addition, Eric McAfee disclaims beneficial ownership of 7,600 common shares owned by McAfee Charitable Ventures, a non-profit organization, where Eric McAfee's brother, Adam McAfee, currently serves as President.

(4) Includes (i) 703,488 shares of Solargen Common stock owned by Michael L. Peterson and Shelley P. Peterson, Trustees of The Peterson Family Trust dtd 8/16/00; (ii) 250,000 shares of Solargen Common Stock held by MLPING Family Investments, LLC, a fund owned and controlled by Mr. Peterson and his family; (iii) 1,942 shares of Solargen Common Stock owned beneficially through Navitas Capital, LLC, a limited liability company owned 4.55% by Mr. Peterson; (iv) vested options to purchase 400,000 shares of Common Stock under the Solargen 2009 Stock Incentive Plan issued in October 2009 and 1,680,000 vested shares issued in the August 2010 Amended Plan; (v) 25,000 Solargen Common shares owned by Pascal Investment Fund, LLC, which Peterson manages and partially owns 42% of the fund, which causes him to disclaim ownership of 14,500 common shares owned by the fund, and (vi) Mr. Peterson also disclaims ownership of 25,000 shares each, issued to Mr. Eddie M. Peterson, and Rex D. Pinegar, Mr. Peterson's father, and father-in-law, respectively.

(5) Includes 1,500,000 shares of Series B Preferred Stock. Chinatrust Venture Capital owns 30% of the Solargen Series B Preferred Stock round of financing.

(6) Includes (i) 40,000 shares distributed from Park Capital X LP, a limited partnership with Adam McAfee acting as the general partner; (ii) 300,000 shares of Nevo Common Stock owned by Park Capital Private Equity, LP, with Adam McAfee acting as the sole limited partner; (iii) 500,000 common shares held by Adam McAfee; (iv) 42,731 shares controlled as Managing Member of Navitas Capital LLC, but disclaims 40,789 shares leaving 1,942 Nevo Common shares individually owned; (v) 10,692 common shares through Park Capital Management LLC with Adam McAfee acting as the sole managing member; (vi) 2,491 post-reverse split shares of Common Stock beneficially held originally in TMEX through Park Capital Management, LLC and 9,965 shares owned through Navitas Capital, LLC; (vii) 8,500 shares are owned by McAfee Charitable Ventures, Inc., a non-profit private foundation, of which Adam McAfee is Chairman and President, but disclaims all 8,500 shares, and (viii) vested options to purchase 200,000 shares of Common Stock as of December 31, 2011 under the Solargen 2009 Stock Incentive Plan and 660,000 vested options to purchase common shares from the August 2010 Amended Option Plan.

(7) Includes (i) 500,000 common stock shares acquired as founders shares or through repurchase agreements; (ii) vested options to purchase 200,000 shares of Common Stock under the Solargen 2009 Stock Incentive Plan issued in October 2009 and 1,000,000 vested options granted in August 2010.

(8) Includes (i) 1,000,000 shares held by Cagan Capital, LLC, a fund owned by Mr. Cagan; (ii) 6,369 shares of Common Stock of the Company earned personally by exercising placement agent warrants received for work performed raising funds for the Company's Series A Preferred Stock offering and (iii) 25,000 shares of Common Stock of the Company held by Kiana and Kyla Cagan Trusts, Mr. Cagan's children.

(9) Includes 1,000,000 shares held by Liviakis Financial Communications, Inc., a company owned and controlled by John Liviakis and 10,000 shares owned by John Liviakis personally.

(10) Includes 1,000,000 shares of Common Stock held by John Pimentel.

(11) Nevo Energy, Inc. Executives and Directors include Eric McAfee (Director), G. Robert Powell (Director), Michael Peterson (Chairman, President and CEO), and Adam McAfee (CFO).

Item XV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. **Investment Banker:**
Colorado Financial Service Corporation
304 Inverness Way South, Suite 355
Centennial, CO 80112

Attn: Laird Q. Cagan
Email: laird.cagan@ColoradoFSC.com (408) 517-3303

2. **Promoter:** See above

3. **Counsel:**

Troy and Gould
Attn: Lawrence Schnapp
1801 Century Park East, Suite 1600
Los Angeles, CA 90067
Email: lschnapp@troygould.com
Telephone: (310) 553-4441

4. **Accountant or Auditor:**

The company retained outside auditors Armanino McKenna LLP of 50 W. San Fernando Street, Suite 600, San Jose, CA 95113-2433 to provide input on financial statements and notes to financial statements during interim quarters during 2010.

Attn: Katerina Starkova
Email: Katerina.Starkova@amllp.com
Telephone: (408) 200-6437

5. **Public Relations Consultant(s):**

none

6. Investor Relations Consultant:

Liviakis Financial Communications, Inc.
655 Redwood Highway, Suite #395
Mill Valley, CA 94941
Attn: John Liviakis, Founder, CEO, Chairman
Email: john@liviakis.com
Telephone: (415) 389-4670

7. The Company has no other outside advisors that assisted, prepared or provided information with respect to this disclosure statement.

Item XVI Management's Discussion and Analysis or Plan of Operation.

This MD&A Section contains forward-looking statements. These statements and other **s**tatements contained in this MD&A Section that are not purely historical fact are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and are based on management's beliefs, certain assumptions and current expectations. The market opportunities, future plans and performance, objectives and expectations with respect to our future operations and solar development activities and the financial projections and estimates and their underlying assumptions, are all forward-looking statements subject to risks and uncertainties, including, but not limited to: the timing and success of our solar development efforts, and our ability to raise capital to pursue our business strategy. Readers are cautioned not to place any undue reliance on these forward-looking statements. Actual results may differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. The forward-looking statements contained in this MD&A Section are made as of the date hereof, and we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.

A. Plan of Operation

Nevo Energy, Inc. (the "Company") is a public company pursuing business opportunities in renewable energy. Beginning October 2006 Nevo Energy, acting at the time with the name "Solargen Energy, Inc." ("Solargen") developed a 399-megawatt (MW) photovoltaic solar farm located in the Panoche Valley of San Benito County, California (the "Project"). In November 2010 San Benito County certified the Panoche Valley Solar Farm Environmental Impact Report and later issued a Conditional Use Permit. On April 19, 2011 Solargen executed definitive agreements with PV2 Energy, LLC, a California limited liability company ("PV2"), to sell the Panoche Valley Solar Farm assets (the "PVSF" or "Project"). Solargen shareholders will continue to have a financial stake in the project through liquidation right from PV2 providing for 15% of net proceeds received by PV2 on the sale or partial sale of the PVSF asset. Certain Solargen employees, including Solargen's Vice President of Project Development and Officer, Eric Cherniss and Solargen's Advisor, John Pimentel, joined PV2 Energy to keep the project moving forward. In addition, the majority of Solargen's vendors will continue to be dedicated to moving the project toward completion.

Going forward, the Company will seek out new renewable energy projects and related business opportunities. We have been financed through the raising of debt and equity capital and anticipate that we will continue to operate at a loss for some time. Currently we do not have enough capital

to meet operational needs. For the foreseeable future, we expect to rely on funds raised from Company insiders, external debt and equity investment to provide for operating expenses. We currently have no binding commitments for external or internal sources of additional capital. Anticipated expenditures depend on the results of investigations to partner, license or acquire equipment and property to build out renewable energy projects.

C. Off-Balance Sheet Arrangement.

As of the date of this Annual Report, there are no "Off-Balance Sheet" Arrangements. The Company has not entered into any definitive agreement that is unconditionally binding or subject to customary closing conditions that would create "off-balance sheet" arrangements in the future.

RISK FACTORS

THE COMPANY'S SECURITIES INVOLVE A HIGH DEGREE OF RISK, INCLUDING BUT NOT LIMITED TO THE RISK FACTORS DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE FOLLOWING RISK FACTORS INHERENT IN AND AFFECTING THE BUSINESS OF THE COMPANY BEFORE MAKING AN INVESTMENT DECISION.

To the extent any of the information contained in this Annual Report constitutes forward-looking information, the risk factors set forth below are cautionary statements identifying important factors that could cause our actual results for various financial reporting periods to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company and could materially adversely affect the financial condition, results of operations or cash flows of Nevo Energy. The forward-looking statements herein generally relate to our plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. In evaluating these statements, you should specifically consider the risks that the anticipated outcome is subject to, including the factors discussed under below and elsewhere. These factors may cause our actual results to differ materially from any forward-looking statement. Actual results may differ from projected results due, but not limited to, unforeseen developments, including developments relating to the following:

- We fail to find a suitable acquisition target for public merger
- We fail to identify and secure key vendors to carry out business plan.
- Changes in government tax-credit schemes may adversely affect opportunities in renewable energy.
- Volatility and changes in world energy prices may reduce access to certain markets.
- Inability to obtain the required permits to build solar farms and viable land in the required time frame.
- Risks related to delays of solar technology development
- The inability of solar cells to complete with other forms of energy.
- Market demand for electricity costs prices to go down to a level that is no longer feasible to develop renewable projects.
- Regulatory changes in the world energy market, such as the Kyoto Protocol, increase costs to operate and raise money.
- Our ability to identify suitable companies for a partnership;
- Our ability to negotiate and enter into partnership agreements with reasonable terms;
- The availability of additional capital at reasonable terms to support our business plan;
- Economic, competitive, demographic, business and other conditions in our local, regional and national markets;

- Changes or developments in laws, regulations or taxes in the solar and energy industry;
- Actions taken or not taken by third-parties, including our suppliers and competitors, as well as legislative, regulatory, judicial and other governmental authorities;
- Increases in interest rates;
- Impact of acquisitions and reorganizations;
- Changes and advances in technology;
- The failure to acquire or the loss of any license or permit;
- Changes in our business strategy or development plans; and
- The availability and adequacy of our cash flow to meet its requirements, including payment of salaries to officers, directors and advisors.

RISKS RELATED TO MINIMAL OPERATING HISTORY

WE WILL REQUIRE ADDITIONAL FINANCING.

For the foreseeable future, we expect to rely on funds raised from private placements and future offerings to provide general operating capital for the Company. Based on our current plan of operation, our current existing capital will not be sufficient to cover current operating expenses. Our existing investors have not expressed a desire to fund the Company's ongoing development costs. We currently have no binding commitments for external or internal sources of additional liquidity. We expect to rely on the proceeds of such offerings to provide further funding for working capital, to cover expenses of officer, directors and consultants, to secure relationships with different suppliers, and to finance our projects. Therefore, we believe that from time to time we will have to obtain additional financing in order to expand our business consistent with our proposed operations and plan. There can be no guaranty that additional funds will be available when, and if, needed. If we are unable to obtain such financing, or if the terms thereof are too costly, we may be forced to curtail or cease operations until such time as alternative financing may be arranged, which could have a materially adverse impact on our planned operations and our shareholders' investment.

WE HAVE LITTLE OPERATING HISTORY IN SOLAR ENERGY AND ARE OPERATING AT A LOSS, AND THERE IS NO GUARANTEE THAT WE WILL BECOME PROFITABLE.

We started solar energy development operations in 2006 and have operated at a loss since inception. There can be no guarantee that we will ever become profitable. In the future, we may experience under-capitalization, delays, lack of funding, setbacks and many of the problems, delays and expenses encountered by any early stage business, many of which are beyond our control. These include, but are not limited to:

- inability to establish profitable strategic relationships vendors:
- inability to identify suitable companies for joint venture and/or acquisition;
- inability to raise sufficient capital to fund the business plan:
- development and marketing problems encountered in connection with new and existing solar products and technologies;
- substantial delays and expenses related to testing, development and deployment products;
- competition from larger and more established companies; and
- lack of market acceptance of our anticipated products.

BECAUSE OUR HISTORY IS LIMITED AND WE ARE SUBJECT TO INTENSE COMPETITION, ANY INVESTMENT IN US WOULD BE INHERENTLY RISKY.

Because we are a company with a short operational history in the solar farm development business and no profitability, our business activity can be expected to be extremely competitive and subject to numerous risks. The solar energy business is highly competitive with many companies having access to the same market. Substantially all of them have greater financial resources and longer operating histories than we have and can be expected to compete within the business in which we engage and intend to engage. There can be no assurance that we will have the necessary resources to become or remain competitive. We are subject to the risks, which are common to all companies with a limited history of operations and profitability. Therefore, investors should consider an investment in us to be an extremely risky venture.

WE REMAIN AT RISK REGARDING OUR ABILITY TO CONDUCT SUCCESSFUL OPERATIONS.

The results of our operations will depend, among other things, upon our ability to develop, install, manage and market products. Further, it is possible that our operations will not generate income sufficient to meet operating expenses or will generate income and capital appreciation, if any, at rates lower than those anticipated or necessary to sustain ourselves. Our operations may be affected by many factors, some known by us, some unknown, and some which are beyond our control. Any of these problems, or a combination thereof, could have a materially adverse effect on our viability as an entity and might cause the investment of our shareholders to be impaired or lost. Our strategic relationships are in various stages of development and our management team has not yet been fully formed. Some of our developing projects may not be completed in time to allow production or marketing due to the inherent risks of new product and technology development, limitations on financing, competition, obsolescence, loss of key personnel and other factors. Unanticipated obstacles can arise at any time and result in lengthy and costly delays or in a determination that further development is not feasible.

The development of our solar projects may take longer than anticipated and could be additionally delayed. Therefore, there can be no assurance of timely completion and introduction of projects on a cost-effective basis, or that such projects, if introduced, will achieve market acceptance such that, in combination with existing projects, they will sustain us or allow us to achieve profitable operations.

FOR THE FORESEEABLE FUTURE, OUR SUCCESS WILL BE DEPENDENT UPON OUR MANAGEMENT.

Our success is dependent upon the decision making of our directors and executive officers. We believe that our success depends on the continued service of our key employees and our ability to hire additional key employees, when and as needed. Although we currently intend to retain our existing management, we cannot assure you that such individuals will remain with us. We have no fixed term employment agreement with any individuals and have not obtained key man life insurance on the lives of any of them. The unexpected loss of the services of one or more of our key executives, directors and advisors, and the ability to find suitable replacements, within a reasonable period of time thereafter, could have a material adverse effect on the economic condition and results of our operations.

WE MAY NOT BE ABLE TO EFFECTIVELY CONTROL AND MANAGE OUR GROWTH.

Our strategy envisions a period of potentially rapid growth. We currently maintain nominal administrative and personnel capacity due to the startup nature of our business, and our expected growth may impose a significant burden on our future planned administrative and operational resources. The growth of our business will require significant investments of capital and increased demands on our management, workforce and facilities. We will be required to substantially expand our administrative and operational resources and attract, train, manage and retain qualified management and other personnel. Failure to do so or satisfy such increased demands would interrupt or would have a material adverse effect on our business and results of operations.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

WE SHALL BE DEPENDENT UPON OUR SUPPLIERS FOR THE COMPONENTS USED IN THE SYSTEMS WE INSTALL; AND OUR POTENTIAL MAJOR SUPPLIERS ARE DEPENDENT UPON THE CONTINUED AVAILABILITY AND PRICING OF SILICON AND OTHER RAW MATERIALS USED IN SOLAR MODULES.

If we continue to pursue solar development, the components used in our anticipated solar projects come from a limited number of manufacturers. We shall not manufacture any of the components used in our planned solar installations. Other than the Nexpower panel supply agreement which we believe is not a financeable option. We have not yet entered into any other long-term contracts with solar panel suppliers. We are subject to market prices for the components that we purchase for our planned installations, which are subject to fluctuation. We cannot ensure that the prices charged by our suppliers will not increase because of changes in market conditions or other factors beyond our control. An increase in the price of components used in our potential systems could result in reduced margins and/or an increase in costs to our customers and could have a material adverse effect on our revenues and demand for our services. Similarly, our potential suppliers are dependent upon the availability and pricing of silicon, one of the main materials used in manufacturing solar panels. The world market for solar panels recently experienced a shortage of supply due to insufficient availability of silicon. This shortage caused the prices for solar modules to increase. Interruptions in our ability to procure needed components for our systems, whether due to discontinuance by our suppliers, delays or failures in delivery, shortages caused by inadequate production capacity or unavailability, or for other reasons, could limit our sales and growth. In addition, increases in the prices of modules could make systems that have been sold but not yet installed unprofitable for us. There is no assurance that we will be able to have solar panels manufactured on acceptable terms or of acceptable quality, the failure of which could lead to a loss of sales and revenues.

WE FACE INTENSE COMPETITION, AND MANY OF OUR COMPETITORS HAVE SUBSTANTIALLY GREATER RESOURCES THAN WE DO.

We operate in a competitive environment that is characterized by price inflation, due to supply shortages, and rapid technological change. We will be competing with major international and domestic companies with substantially greater resources than our own. Our major competitors include SunPower/Powerlight, GCL Solar Energy, Agile Energy, Solar Power, Inc. (“SPI”), SPG Solar, Akeena Solar, First Solar, Sun Edison, Global Solar plus numerous other regional players, and other similar companies. Our competitors may have greater market recognition and substantially greater financial, technical, marketing, distribution, purchasing, manufacturing, personnel and other resources than we do. Many of our competitors are developing and are currently producing and/or installing products based on new solar power technologies that may ultimately have costs similar to, or lower than, our projected costs. Many of our current and potential competitors have longer operating histories, greater name recognition,

access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we do. As a result, they may be able to respond more quickly to changing customer demands or to devote greater resources to the development, promotion and sales of products than we can.

Some of our competitors own, partner with, have longer term or stronger relationships with solar cell providers, which could result in them being able to obtain solar cells on a more favorable basis than we can. It is possible that new competitors or alliances among existing competitors could emerge and rapidly acquire significant market share, which would harm our business. If we fail to compete successfully, our business would suffer and we may lose or be unable to gain market share.

We may in the future compete for potential customers with solar developers, systems installers, electricians, utilities and other providers of solar power equipment or electric power. Competition in the solar power services industry may increase in the future, partly due to low barriers to entry. In addition, we may face competition from other alternative energy resources now in existence or developed in the future. Increased competition could result in price reductions, reduced margins or loss of market share and greater competition for qualified technical personnel.

There can be no assurance that we will be able to compete successfully against current and future competitors. If we are unable to compete effectively, or if competition results in a deterioration of market conditions, our business and results of operations would be adversely affected.

WE HAVE EXPERIENCED TECHNOLOGICAL CHANGES IN OUR INDUSTRY. NEW TECHNOLOGIES MAY PROVE INAPPROPRIATE AND RESULT IN LIABILITY TO US OR MAY NOT GAIN MARKET ACCEPTANCE BY OUR FUTURE CUSTOMERS.

The solar power industry (and the alternative energy industry, in general) is subject to rapid technological change. Our future success will depend on our ability to appropriately respond to changing technologies and changes in function of products and quality. Significant improvements in the efficiency of photovoltaic systems may give competitors using those products competitive advantages that we cannot overcome.

A DROP IN THE RETAIL PRICE OF CONVENTIONAL ENERGY OR NON-SOLAR ALTERNATIVE ENERGY SOURCES MAY NEGATIVELY IMPACT OUR PROFITABILITY.

We believe that a customer's decision to purchase or install solar power capabilities is primarily driven by the cost of electricity from other sources and their anticipated return on investment resulting from solar power systems. Fluctuations in economic and market conditions that impact the prices of conventional and non-solar alternative energy sources, such as decreases in the prices of oil and other fossil fuels, could cause the demand for solar power systems to decline, which would have a negative impact on our profitability. Changes in utility electric rates or net metering policies could also have a negative effect on our business.

EXISTING REGULATIONS, AND CHANGES TO SUCH REGULATIONS, MAY PRESENT TECHNICAL, REGULATORY AND ECONOMIC BARRIERS TO THE PURCHASE AND USE OF SOLAR POWER PRODUCTS, WHICH MAY SIGNIFICANTLY REDUCE DEMAND FOR OUR PRODUCTS.

Installation of solar power systems are subject to oversight and regulation in accordance with national and local ordinances, zoning, environmental protection regulation, utility interconnection requirements for metering and other rules and regulations. If we fail to observe these shifting

requirements on a national, state, or local level, in providing our products and services, we may incur claims and/or reputational damage. Government regulations or utility policies pertaining to solar power systems are unpredictable, may limit our ability to charge market rates and may result in significant additional expenses or delays and, as a result, could cause a significant reduction in our revenues and/or demand for solar energy systems and our services.

OUR BUSINESS DEPENDS ON THE AVAILABILITY OF REBATES, TAX CREDITS AND OTHER FINANCIAL INCENTIVES; REDUCTION OR ELIMINATION OF WHICH WOULD REDUCE THE DEMAND FOR OUR SERVICES AND IMPAIR OUR RESULTS**.**

Certain states, including California and Arizona, offer substantial incentives to offset the cost of solar power systems. These systems can take many forms, including direct rebates, state tax credits, system performance payments and Renewable Energy Credits (RECs). Moreover, the Federal government currently offers a tax credit for the installation of solar power systems. Current tax rules also permit businesses to accelerate the depreciation on their system over five years. Reduction in or elimination of such tax and other incentives or delays or interruptions in the implementation of favorable federal or state laws could substantially increase the costs of our systems, resulting in reduced demand for our services, and negatively affecting our sales.

OUR BUSINESS STRATEGY DEPENDS ON THE WIDESPREAD ADOPTION OF SOLAR POWER TECHNOLOGY.

The market for solar power products is emerging and rapidly evolving, and its future success is uncertain. If solar power technology proves unsuitable for widespread commercial deployment or if demand for solar power products fails to develop sufficiently, we would be unable to generate enough revenues to achieve and sustain profitability. The factors influencing the widespread adoption of solar power technology include but are not limited to:

- cost-effectiveness of solar power technologies as compared with conventional and non-solar alternative energy technologies;
- performance and reliability of solar power products as compared with conventional and non-solar alternative energy products;
- success of other alternative distributed generation technologies such as fuel cells, wind power and micro turbines;
- fluctuations in economic and market conditions which impact the viability of conventional and non-solar alternative energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- continued deregulation of the electric power industry and broader energy industry; and
- availability of government subsidies and incentives.

RISKS RELATED TO OUR SECURITIES

LIQUIDITY RISKS ASSOCIATED WITH OUR PREFERRED AND COMMON STOCK.

Our Common Stock is traded on the OTC Markets under the symbol NEVE. Our Common Stock is very thinly traded, and a robust and active trading market may never develop. Less than a fraction of a percent of our outstanding shares of Common Stock are freely tradable or available to trade under Rule 144. A shareholder who decides to sell some or all of his shares in a private transaction may be unable to locate persons who are willing to purchase the shares, given the restrictions. Also, because of the various risk factors described above, the price of the publicly traded Common Stock may be highly volatile and not provide the true market price of our Common Stock. There can be no assurance that you will be able to resell your securities at your original purchase price or at any price.

WE DO NOT INTEND TO PAY DIVIDENDS.

We have not paid any cash dividends on our common or preferred stock since inception and we do not anticipate paying any cash dividends in the foreseeable future. Earnings, if any, that we may realize will be retained in the business for further development and expansion.

WE WILL NEED TO RAISE CAPITAL WHICH WILL CAUSE ADDITIONAL DILUTION

We are currently operating at a loss and intend to increase our operating expenses significantly as we expand our development and marketing. We expect that the proceeds received through capital raising activities should be sufficient to cover these expenses, however, if we do not receive capital as expected, our cash may not be sufficient to fund day-to-day operations even for the short-term. After operations begin, the operating expenses will be significant and the Company will have to generate substantial revenues to achieve profitability. As a result, we may never achieve or sustain profitability, which would cause the value or the securities to decline. Additionally, we may encounter unforeseen costs that could also require us to seek additional capital. We currently do not have any permanent arrangements or credit facilities in place as a source of funds should this need arise, and there can be no assurance that we will be able to raise sufficient, if any, additional capital, nor is there any assurance that we will be able to raise such capital on acceptable terms. Any additional financing may result in significant dilution to our company's existing shareholders.

CONCENTRATION OF STOCK OWNERSHIP AND CONTROL.

Our executive officers and directors as group beneficially own a significant percentage of our common stock. As a result, these stockholders, acting together, will be able to influence many matters requiring stockholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control, and could deprive our stockholders of an opportunity to receive a premium for their shares of common stock as part of a sale of our company and may affect the market price of our stock.

FURTHER FINANCING CANNOT BE GUARANTEED.

We will need to raise additional capital in order to meet our business plan, and the required additional financing may not be available. There can be no assurances that the Company's anticipated future financings will occur, or that such financings be available on acceptable terms. While we are using reasonable efforts to raise additional funding, neither management team nor any affiliate, nor any other person has made a binding commitment for the investment of additional funds in our Company, and a number of factors beyond their control and our control make any future financings uncertain. No one should rely on the prospect of future financings or any potential financing or public offering or in making an investment in our securities.

POTENTIAL AND ACTUAL CONFLICTS OF INTEREST WITH ADVISORS

Certain advisors who have advisory agreements with the Company, including Liviakis Financial Communications, Inc., McAfee Capital, LLC and Laird Cagan through Colorado Financial Service Corporation (collectively, the "Advisors") are also major stockholders of the Company, in part because the Company paid them in stock for their past services. Potential or actual conflicts exist that could place the interests of the Advisors as stockholders at odds with the best interests of the Company, including with respect to the Company's contracts with the Advisors.

FUTURE SALES OF LARGE AMOUNTS OF COMMON STOCK

Future sales of our common stock by existing stockholders pursuant to Rule 144 could adversely affect the market price of our Common Stock. Our controlling stockholders and their affiliates are not under lockup letters or other forms of restriction on the sale of their Common Stock. Sales of a large number of shares of Common Stock in the public market could adversely affect the market price of the Common Stock and could materially impair our future ability to generate funds through sales of Common Stock or other equity securities.

WE MAY NOT HAVE A MAJORITY OF INDEPENDENT DIRECTORS

We have one independent director, Robert Powell, and cannot guarantee that our Board of Directors will have a majority of independent directors in the future. In the absence of a majority of independent directors, our existing directors, who are also significant stockholders, could establish policies and enter into transactions without independent review and approval. This could present the potential for a conflict of interest between the Company's stockholders and the controlling officers, stockholders or directors.

PENNY STOCKS

Our Common Stock has not been approved for quotation on the OTC Bulletin Board. Since our Common Stock has traded below $5 per share, our Common Stock may be considered a "penny stock" and is subject to SEC rules and regulations, which impose limitations upon the manner in which our shares can be publicly traded. These regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the associated risks. Under these regulations, certain brokers who recommend such securities to persons other than established customers or certain accredited investors must make a special written suitability determination regarding such a purchaser and receive such purchaser's written agreement to a transaction prior to sale. These regulations have the effect of limiting the trading activity of our Common Stock and reducing the liquidity of an investment in our common stock.

Stockholders should be aware that, according to the Securities and Exchange Commission Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. These patterns include:

- Control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- Manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- "Boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;
- Excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- The wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

Furthermore, the "penny stock" designation may adversely affect the development of any public market for the Company's shares of Common Stock or, if such a market develops, its continuation. Broker-dealers are required to personally determine whether an investment in "penny stock" is suitable for customers.

Penny stocks are securities (i) with a price of less than five dollars per share; (ii) that are not traded on a "recognized" national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); or (iv) of an issuer with net tangible assets less than $2,000,000 (if the issuer has been in continuous operation for at least three years) or $5,000,000 (if in continuous operation for less than three years), or with average annual revenues of less than $6,000,000 for the last three years.

Section 15(g) of the Exchange Act, and Rule 15g-2 of the Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in the Company's common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stock."

Rule 15g-9 of the Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for the Company's stockholders to resell their shares to third parties or to otherwise dispose of them.

PART E ISSUANCE HISTORY

Item XVII List of securities offerings and shares issued for services in the past two years.

From January 1, 2008 to December 31, 2008, no additional shares of common or preferred stock were issued.

From January 1, 2009 to March 31, 2009, the following occurred. On February 18, 2009, we effected a 2,001 to 1 reverse stock split and our outstanding shares of Common Stock were reduced by 85,472,935 shares, leaving 42,736 shares of common stock outstanding. Further, from January 1, 2009 to March 31, 2009 we issued the following: On February 18, 2009 we issued 14,747,288 in connection with the merger with Solargen Energy, Inc., a private Delaware corporation. We further sold 125,000 shares of Series A Preferred Stock to accredited investors at $1.00 per share. These shares bear a restricted legend.

From April 1, 2009 to June 30, 2009 we sold 502,500 shares of Series A Preferred Stock to accredited investors at $1.00 per share. The Company further issued warrants to purchase 85,000 shares of Common Stock to consultants during the same time period, which are exercisable at $1.00 per share. These shares bear a restricted legend.

From July 1, 2009 to September 30, 2009 we sold 2,625,000 shares of Series A Preferred Stock to accredited investors at $1.00 per share and issued 1,480,000 warrants of Series A Preferred Stock exercisable at $1.00 per share with a two-year term. 1,000,000 of the aforementioned 1,480,000 Series A Warrants have a mandatory exercise provision in the event the Company reaches certain development milestones. The Company further issued warrants to purchase 42,500 shares of Common Stock to placement agents in connection with the sale of Series A Preferred Stock during the same time period, which are exercisable at $1.00 per share. These issuances of stock and warrants, along with other material events including entry into various definitive agreements and the amendment of our Articles of Incorporation, were detailed in our Current Report filed on the OTC Disclosure and News Service under our Company page on OTC Markets.com on September 28, 2009. All aforementioned shares and warrants bear a restricted legend.

From October 1, 2009 until December 31, 2009, Solargen Energy sold 1,085,000 shares of Series A Series Preferred Stock to accredited investors at $1.00 per share, including the exercise of 1,000,000 Series A Preferred Stock warrants, which were exercised in connection with the achievement of certain development milestones. The Company further issued warrants to purchase 7,500 shares of Common Stock to placement agents in connection with the sale of Series A Preferred Stock during the same time period, which are exercisable at $1.00 per share. The Company further issued stock options to purchase 950,000 shares of Common Stock to key executives, which are exercisable at $1.00 per share and vest over four years. Further, certain consultants exercised 8,239 common stock warrants through a net exercise resulting in the issuance of 7,416 shares of Common Stock. These shares all bear a restricted legend.

From January 1, 2010 to March 31, 2010, we sold 480,000 shares of Series A Series Preferred Stock to accredited investors at $1.00 per share, through the exercise of outstanding Series A Preferred Stock warrants. Further, we received $403,960 cash through the issuance of short-term convertible debt, which was convertible into Series B Preferred Stock at $3.00 per share upon the occurrence of certain financing milestones. The Series B Preferred was later re-priced to $1.00 per share. Further, certain consultants exercised 7,076 common stock warrants through a net

exercise resulting in the issuance of 6,369 shares of Common Stock. These shares all bear a restricted legend.

From March 31, 2010 to December 31, 2010, we sold 4,865,334 shares of Series B Series Preferred Stock to accredited investors at $1.00 per share. $986,873 of cash and accrued interest came from the conversion of a short-term convertible debt instrument, which converted into Series B Preferred Stock at $1.00 per share upon the closing of the UMC Capital ($1,500,000) and Chinatrust Venture Capital ($1,500,000) $3,000,000 investment in the Series B Preferred round on June 25, 2010. Series B Preferred investors received the rights to 100 percent warrant coverage on their investment resulting in an issuance of 5,000,000 Series B Warrants with a $1.00 strike price. Further, placement agents received 14,000 common stock warrants with a strike price of $1.00 per share. The Series B Preferred Stock, placement agent and Note common stock warrants all bear a restricted legend.

On December 31, 2010, Navitas Capital LLC, through a Promissory Note ("Note", loaned $65,000 to Solargen Energy, Inc. The Note provided for 50,000 Common Stock Warrants with an exercise price of $0.20 per share and five-year exercise term. These common stock warrants all bear a restricted legend.

From January 1, 2011 to March 31, 2011 the following Promissory notes were secured from affiliates of the company with 75 percent warrant coverage to pay for short term capital requirements to operate the business.

In March 2011 Park Capital Management, LLC loaned $18,000 through a series of Promissory Notes with annual interest rates of 10% and received warrants to purchase 13,500 shares of Solargen Energy Common Stock at a $ 0.20 per share strike price. The right to exercise the warrants lasts for five years. Adam McAfee, Solargen Energy's CFO serves as a managing member and has 50% ownership interest in Park Capital Management LLC. These common stock warrants all bear a restricted legend.

In March 2011 the Peterson Family Trust loaned $14,000 through a series of Promissory Notes with annual interest rates of 10% and received warrants to purchase 10,500 shares of Solargen Energy Common Stock at a $ 0.20 per share strike price. The right to exercise the warrants lasts for five years. Michael Peterson, Solargen Energy's CEO and President serves as trustee and has 50% ownership interest in trust. These common stock warrants all bear a restricted legend.

In March 2011 Laird Q. Cagan loaned $10,000 through a Promissory Note with an annual interest rate of 10% and received warrants to purchase 7,500 shares of Solargen Energy Common Stock at a $ 0.20 per share strike price. The right to exercise the warrants lasts for five years. Laird Q. Cagan owns common shares in Solargen Energy and is engaged by the Company as a registered representative to sell securities for our firm. These common stock warrants all bear a restricted legend.

In March 2011 John Pimentel loaned $10,000 through a Promissory Notes with annual interest rates of 10% and received warrants to purchase 7,500 shares of Solargen Energy Common Stock at a $ 0.20 per share strike price. The right to exercise the warrants lasts for five years. John Pimentel owns common shares in Solargen Energy and is employed as an advisor to the Company. These common stock warrants all bear a restricted legend.

On April 12, 2011 McAfee Capital, LLC agreed to convert $41,112 of its then outstanding paralegal services bills to a promissory note bearing a 10 percent annual interest rate and a maturity date of April 12, 2018. As of December 31, 2011 a balance of $44,195 remains outstanding on McAfee Capital's paralegal services loan.

On April 12, 2011 Aemetis Inc. (formerly known as AE Biofuels, Inc.) agreed to convert $62,151 of its then outstanding rent bills to a promissory note bearing a 10 percent annual interest rate and a maturity date of April 12, 2018. As of December 31, 2011 a balance of $66,812 remains outstanding on Aemetis' rent loan.

From January to December 31, 2011 McAfee Capital, LLC loaned $172,720 through a series of Promissory Notes with annual interest rates of 10% and received warrants to purchase 129,539 shares of Nevo Energy Common Stock at a $ 0.20 per share strike price and a five year right to exercise the warrants. These common stock warrants all bear a restricted legend. As of December 31, 2011, this set of McAfee Capital LLC loans has an outstanding balance of $185,234.

PART F EXHIBITS

Item XVIII Material Contracts

The Company, or its subsidiary, has the following material contracts with the following material terms.

- Michael Peterson Advisor Agreement. Under this agreement (with our predecessor-in-interest prior to the Solargen merger), dated December 1, 2008, Mr. Peterson received 700,000 shares of common stock of the Company (in addition to purchasing other equity from the Company-see Item XIV Beneficial Owners). Mr. Peterson also received a Stock Option Grant for 400,000 shares of Common Stock in October 2009, exercisable at $1.00 per share and subject to four year vesting. Mr. Peterson also received a Stock Option Grant for 1,680,000 shares of Common Stock in August 2010, exercisable at $0.20 per share and subject to 12 successive months of vesting beginning August 31, 2010. In addition, Mr. Peterson received an annual salary of approximately $250,000, but the salary was reduced to $144,000 per year after the Panoche Valley solar farm sale. The Management Change of Control Agreement, activated as a result of the solar farm asset sale, caused all Stock Option grants to completely vest on the closing of the sale transaction. This agreement is terminable at any time by either party.

- Adam McAfee Advisor Agreement. Under this agreement (with our predecessor-in-interest prior to the Solargen merger), dated December 1, 2008, Mr. McAfee received 350,000 shares of common stock of the Company, and an additional 150,000 shares of Common Stock, which are subject to repurchase rights which lapse monthly over a three-year period, beginning in December 2008. Mr. McAfee also received a Stock Option Grant for 200,000 shares of Common Stock in October 2009, exercisable at $1.00 per share and subject to four year vesting. Mr. McAfee also received a Stock Option Grant for 660,000 shares of Common Stock in August 2010, exercisable at $0.20 per share and subject to 12 successive months of vesting beginning August 31, 2010. In addition, Mr. McAfee received an annual salary of approximately $156,000, but the salary was reduced to $120,000 per year after the Panoche Valley solar farm sale. The Management Change of Control Agreement, activated as a result of the solar farm asset sale, caused all Stock Option grants to completely vest on the closing of the sale transaction. This agreement is terminable at any time by either party.

- John Pimentel Advisor Agreement. Under this agreement (with our predecessor-in-interest prior to the Solargen merger), dated December 1, 2008, Mr. Pimentel received 550,000 shares of common stock of the Company, and an additional 450,000 shares of Common Stock, which are subject to repurchase rights, which lapse monthly over a three-year period, beginning in December 2008. In addition, Mr. Pimentel received an annual salary of approximately $144,000 until he resigned in March 2011 to take a position with the firm acquiring our solar farm project.

- Eric Cherniss Advisor Agreement. Under this agreement (with our predecessor-in-interest prior to the Solargen merger), dated December 1, 2008, Mr. Cherniss received 350,000 shares of common stock of the Company, and an additional 150,000 shares of Common Stock which are subject to repurchase rights which lapse monthly over a three-year period, beginning in December 2008. Mr. Cherniss also received a Stock Option Grant for 200,000 shares of Common Stock in October 2009, exercisable at $1.00 per share and subject to four year vesting. Mr. Cherniss also received a Stock Option Grant for 1,000,000 shares of Common Stock in August 2010, exercisable at $0.20 per share and subject to 16 successive equal fiscal quarterly installments beginning August 31, 2010 with the first period allocated on pro-rata basis. In addition, Mr. Cherniss receives an annual salary of approximately $180,000 until he resigned in April 2011 to accept a position with the firm acquiring our solar farm project. The Management Change of Control Agreement, activated as a result of the solar farm asset sale, caused all Stock Option grants to completely vest on the closing of the sale transaction.

- Liviakis Financial Communications Consulting Agreement. Under this agreement, dated December 1, 2008, Liviakis Financial Communications, Inc., has agreed to act as our investment relations firm in exchange for receiving 1,000,000 shares of common stock. The agreement has a three-year term, beginning in February 2009.

- Sub-Lease Agreement
  In July 2009, we entered into a non-cancelable operating lease with Aemetis, Inc. (formerly known as AE Biofuels, Inc.) for approximately 3,000 square feet of office space in Cupertino, CA. This lease expires May 31, 2012 and requires payment of rent plus our share of operating expenses. The Company records rent expense on a straight-line basis.

- 2009 Equity Incentive Plan
  On September 8, 2009, the Board of Directors of the Company adopted the Company's 2009 Equity Incentive Plan (the "Equity Incentive Plan"). This Equity Incentive Plan was approved by the Company's stockholders by majority written consent on September 8, 2009. Under the Equity Incentive Plan, the Board of Directors has the right to grant options and stock of up to an aggregate of FOUR MILLION (4,000,000) shares of Common Stock. Further, the amount of shares of Common Stock under the Equity Incentive Plan may be increased without stockholder approval beginning 2011 if approved by the Board of Directors, so long as such annual increase does not exceed the lesser of (i) 1,000,000 shares per year, or (ii) 3% of the total number of shares of Common Stock outstanding and/or issuable pursuant to outstanding Common Stock awards.

- Additional 2 million shares reserved through Amendment to 2009 Equity Incentive Plan
  On June 21, 2010, the Board of Directors of the Company approved the amendment of the 2009 Equity Incentive Plan (the "Amended Equity Incentive Plan"). This Amended Equity Incentive Plan was approved by the Company's stockholders by majority written consent. Under the Amended Equity Incentive Plan, the Board of Directors has the right to grant options and stock on an additional TWO MILLION (2,000,000) shares of Common Stock, to the existing four millions (4,000,000) shares already reserved in the 2009 Plan. On January 1, 2011, the Board of

Directors authorized the addition of 406,250 shares under the Evergreen provision of the stock option plan. As a result, as of December 31, 2011 a total of 6,604,250 shares are authorized to be issued under the Employee Stock Option plan

- Change of Control Agreement.
  In connection with sale of Series B Preferred Stock in mid 2010, the Company entered into a Change of Control Agreement ("Change of Control Agreement"), which provides that certain members of the Company's executive management shall be eligible to receive a cash payout and accelerated vesting of their stock and option grants in the event of a change of control of the Company. This Change of Control Agreement was made effective on June 25, 2010, after approval by the Company's Board of Directors and Stockholders. The participants of this Change of Control Agreement include Michael L. Peterson, the Company's Chairman and President, and Adam A. McAfee, the Chief Financial Officer of the Company, and other executives. This Change of Control Agreement came into effect upon the sale of the Panoche Valley solar farm project assets in April 2011.

Item XIX Articles of Incorporation and Bylaws.

The Company's Articles of Incorporation, as amended, and Bylaws, as amended, required to included as part of this filing, and referenced hereto as **Exhibit B** and **Exhibit C**, respectively, were filed on February 24, 2009 with the OTC Disclosure and News Service and are hereby incorporated herein by reference. The Fourth Amended and Restated Articles of Incorporation were filed on April 22, 2011 with the OTC Disclosure and News Service and are hereby incorporated herein by reference.

Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None

Item XXI Issuer's Certification

I, Michael L. Peterson, certify that:

1. I have reviewed this current information statement of Nevo Energy, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 30, 2012.

/s/ Michael L. Peterson
CEO and President,
Nevo Energy, Inc.

EXHIBIT A

Unaudited Annual Financial Statements for the year ended December 31, 2011 and December 31, 2010. Note that the unaudited financial statements for the fiscal year ended December 31, 2009 are available on the OTC Markets web site by going to the following link:

http://www.otcmarkets.com/financialReportViewer?symbol=NEVE&id=30467

Unaudited Annual Financial Statements 2011 Financial Statements and Notes are attached hereto.

EXHIBIT B

The Fourth Amended and Restated Articles of Incorporation of Nevo Energy, Inc., formerly known as Solargen Energy, Inc., a Nevada corporation were filed on April 28, 2011 under a Supplemental Information statement published through the OTC Disclosure and News Service and is hereby incorporated herein by reference. You may go to the Fourth Amended and Restated Articles of Incorporation by going to the following link:

http://www.otcmarkets.com/financialReportViewer?symbol=NEVE&id=48878

EXHIBIT C

Bylaws of Solargen Energy, Inc., a Nevada Corporation were filed on February 24, 2009 with the OTC Disclosure and News Service and are hereby incorporated herein by reference. You may navitage to our Bylaws by going to the following link:

http://www.otcmarkets.com/financialReportViewer?symbol=NEVE&id=19654

EXHIBIT A

ANNUAL REPORT

For Years Ended December 31, 2011 and 2010,
and Inception-to-Date

Financial Statements
and
Notes to Financial Statements

NEVO ENERGY, INC.

20400 Stevens Creek Blvd., Suite 740
Cupertino, CA 95014

NEVO ENERGY, INC.
Consolidated Financial Statements
(Unaudited)

NEVO ENERGY, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 511	$ 67,338
Prepaid and other current assets	-	212,445
Total current assets	511	279,783
Equipment, net	-	12,361
Land options and deposits	-	1,567,400
Total assets	**$ 511**	**$ 1,859,544**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	368,171	$ 2,222,013
Accrued taxes payable	157,814	148,646
Accrued payroll liabilities	605,509	148,973
Promissory notes	357,983	65,000
Other current liabilities	120,086	98,243
Total current liabilities	1,609,563	2,682,875
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common Stock - $0.0001 par value 500,000,000 authorized; 14,935,448 and 14,935,448 shares issued and outstanding at December 31, 2011 and December 31, 2010, respectively	1,494	1,494
Convertible preferred stock, $0.0001 par value: 100,000,000 shares authorized at December 31, 2011 and December 31, 2010		
Series A Preferred - $0.0001 par value 5,000,000 designated; 4,817,500 and 4,817,500 shares issued and outstanding; aggregate liquidation preference of $4,817,500 and $4,817,500 at December 31, 2011 and December 31, 2011 and December 31, 2010, respectively	4,719,895	4,719,895
Series B Preferred - $.0001 par value 5,000,000 designated; 5,000,000 and 5,000,000 shares issued and outstanding; and aggregate liquidation preference of $10,000,000 and $10,000,000, at December 31, 2011 and December 31, 2010, respectively	4,998,600	4,998,600
Additional paid-in capital	653,625	318,662
Deficit accumulated during the development stage (quasi-reorganization 10/31/06)	(11,982,666)	(10,861,982)
Total stockholders' equity	(1,609,052)	(823,331)
Total liabilities and stockholders' equity	**$ 511**	**$ 1,859,544**

The accompanying notes are an integral part of the consolidated financial statements

NEVO ENERGY, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the year ended December 31, 2011	2010	Period from October 4, 2006 (date of inception) through December 31, 2011
Operating Expenses:			
General and administrative expenses	$ 1,650,861	$ 8,075,800	$ 12,506,148
Other Income (expense)			
Interest income	$ -	$ 1,262	$ 1,674
Interest expenses	$ (47,570)	$ (23,114)	$ (52,739)
Income/(loss) before income taxes	(1,698,431)	(8,097,652)	(12,557,213)
Income taxes	(4,000)	(1,600)	(7,200)
Loss from Continuing Operations	(1,702,431)	(8,099,252)	(12,564,413)
Discontinued Operations (Note 14)			
Gain on disposal of Panoche Valley project, net of tax	581,747	-	581,747
Net income/(loss)	$ (1,120,684)	$ (8,099,252)	$ (11,982,666)
Gain (Loss) per common share, basic and diluted			
Continuing Operations	$ (0.11)	$ (0.56)	$ (1.25)
Discontinued Operations	$ 0.04	$ -	$ 0.06
Weighted average shares outstanding			
Basic and diluted	14,841,351	14,370,203	10,070,069

The accompanying notes are an integral part of the consolidated financial statements

NEVO ENERGY, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the year ended December 31, 2011	2010	Period from October 4, 2006 (date of inception) through December 31, 2011
Operating activities:			
Net loss	$ (1,120,684.00)	$ (8,099,252)	$ (11,982,666)
Adjustments to reconcile net loss to			
net cash provided by (used in) operating activities:			
Depreciation	2,181	6,544	15,996
Stock-based compensation	334,963	177,206	621,260
Changes in assets and liabilities:			
Accounts payable	(1,853,842)	2,090,430	368,171
Prepaid expenses	212,445	(212,445)	-
Other assets			51,084
Other liabilities	399,476	245,006	631,204
Net cash used in operation activities	(2,025,461)	(5,792,511)	(10,294,951)
Investing activities:			
Purchase of equipment	10,180	2,181	(15,996)
Purchase of land options		(721,800)	(1,567,400)
Sale of land options	1,567,400		1,567,400
Net cash used by investing activities	1,577,580	(719,619)	(15,996)
Financing activities:			
Proceeds from common stock	-	-	131,208
Proceeds from Series A Preferred stock	-	-	3,255,596
Proceeds from Series B Preferred stock	-	3,878,061	3,878,061
Proceeds from warrant exercise	-	480,000	1,480,000
Proceeds from promissory notes & advances	381,054	1,185,539	1,478,522
Net cash provided by financing activities	381,054	5,543,600	10,223,387
Net cash increase (decrease) for period	(66,827)	(968,530)	(87,560)
Cash and cash equivalents (bank indebtness) at beginning of period	67,338	1,035,868	-
Cash and cash equivalents (bank indebtedness) at end of period	$ 511	$ 67,338	$ (87,560)
Supplemental disclosure of cash flow information, cash paid:			
Income taxes, net of refunds	(4,000)	(1,600)	(7,200)
Supplemental disclosure of non-cash activity			
Warrants issued to a placement agent	-	-	15,701
Conversion of convertible promissory notes for Series B Preferred	-	1,120,539	1,120,539

The accompanying notes are an integral part of the consolidated financial statements

NEVO ENERGY, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Convertible Series A Preferred Stock		Convertible Series B Preferred Stock		Paid-in Capital in Excess of Par	Accumulated Deficit	Total
	Shares	Dollars	Shares	Dollars	Shares	Dollars			
Issuance of Series A Preferred shares upon exercise of warrants			480,000	$ 480,000					$ 480,000
Issuance of common stock upon net exercise of warrants	6,365	2					(1)		1
Stock based compensation issued to employees and non-employees							173,440		173,440
Series B Preferred Shares at $1.00 per share					5,000,000	4,999,010			4,999,010
Common stock warrants issued to a placement agent						(410)	410		-
Common stock issued to consultant		-					500		500
Debt issuance costs	5,000	-					2,856		2,856
									-
Net loss								(8,099,252)	(8,099,252)
Balance, December, 2010	**14,935,448**	**$ 1,494**	**4,817,500**	**$ 4,719,895**	**5,000,000**	**$ 4,998,600**	**$ 318,664**	**$ (10,861,982)**	**$ (823,329)**
Stock based compensation issued to employees and non-employees							325,802		$ 325,802
Promissory note issuance costs							9,159		$ 9,159
Net loss								(1,120,684)	$ (1,120,684)
Balance, December, 2011	**14,935,448**	**$ 1,494**	**4,817,500**	**$ 4,719,895**	**5,000,000**	**$ 4,998,600**	**$ 653,625**	**$ (11,982,666)**	**$ (1,609,052)**

The accompanying notes are an integral part of the consolidated financial statements

SOLARGEN ENERGY, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Activities and Summary of Significant Accounting Policies.

Nature of Activities. The consolidated financial statements include Nevo Energy, Inc. ("Nevo" or the "Company", formerly known as Solargen Energy, Inc.), a Nevada corporation and its subsidiaries, (i) Solargen Energy, Inc., a Delaware corporation, (ii) Solargen Holdings, Inc., a Delaware corporation and its subsidiary Solargen Development, LLC, a Delaware limited liability company, and (iii) Solargen Commercial Services, Inc., a Delaware corporation. We are in the business of developing, owning and operating large-scale solar farms as a Solar Independent Power Producer. On April 19, 2011 we sold our sole solar development project, Panoche Valley, to PV2 Energy, a California limited liability company. PV2 acquired the rights to use the name, Solargen Energy, Inc., and accordingly we changed our name to Nevo Energy, Inc.

With the sale of our sole development project, we are a "shell company" as defined in Rule 405 of the Securities Act and Rule 12b-2 of the Exchange Act, as well as Securities and Exchange Commission ("SEC") Release Number 33-8407. The term "shell company" means a public company, other than an asset-backed issuer, that has no or nominal operations, and either: (i) no or nominal assets; (ii) assets consisting solely of cash and cash equivalents; or (iii) assets consisting of any amount of cash and cash equivalents and nominal other assets.

We intend to seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation and our industry expertise. At this time, management intends to target renewable energy projects, but will consider any project and judge any opportunity on its individual merits. Any such transaction will likely have a dilutive effect on the interests of our shareholders that will, in turn, reduce each shareholder's proportionate ownership and voting power in the Company.

Business Background. Nevo Energy, Inc. is a Nevada corporation formerly known as TMEX USA, Inc, and originally incorporated on July 20, 1987 as "Swiss Cellular Laboratories, Inc." TMEX USA, Inc. merged with Solargen Energy, Inc., a Delaware corporation and a private development stage solar company on February 18, 2009. Around the time of the merger TMEX USA, Inc. amended its articles of incorporation, changed its name to "Solargen Energy, Inc.," changed its trading symbol to SLGE.PK, and effectuated a reverse stock split on a 2,001:1 basis. On May 12, 2011, Solargen changed its name to Nevo Energy, Inc. and stock symbol to NEVE.

Development Stage Enterprise. We prepare our statements in accordance with the Development Stage Enterprise guidance as specified in FASB Accounting Standards Codification ("ASC") 915 "Development Stage Entities".

Principles of Consolidation. The consolidated financial statements include the accounts of our parent company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and pursuant to the rules and regulations of the Pinksheets market exchange.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. Significant estimates, assumptions and judgments made by management include the valuation of equity instruments such as warrants and options, the recognition and measurement of current taxes payable and deferred tax assets or liabilities, and judgment about contingent liabilities and expense accruals. Management believes that the estimates and judgments upon which they rely are reasonable based upon information available to them at the time these estimates and judgments were made. To the extent there are material differences between these estimates and actual results, our consolidated financial statements will be affected.

Cash and Cash Equivalents. We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. We maintain cash balances in domestic financial institutions that are insured by the FDIC. Our accounts at these institutions may exceed federally insured limits. We have not experienced any losses in such accounts.

Property, Plant and Equipment. Property, plant and equipment are carried at cost less accumulated depreciation after assets are placed in service and are comprised primarily of measurement equipment used for the development of our land held under option. The estimated useful life of these assets is three years. Depreciation is computed using the straight-line method over the useful life of the assets.

Reverse Stock Split. On February 24, 2009, our board of directors declared a 2001-for-one reverse stock split. All share amounts have been retroactively adjusted to reflect the stock split.

Income Taxes. We recognize income taxes in accordance with ASC 740 "Income Taxes", using an asset and liability approach. This approach requires the recognition of taxes payable or refundable for the current year and deferred tax assets and liabilities for the expected

future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. The measurement of current and deferred taxes is based on provisions of enacted tax law.

ASC 740 provides for recognition of deferred tax assets, if the realization of such assets is more likely than not to occur. Otherwise, a valuation allowance is established for the deferred tax assets, which may not be realized. As of December 31, 2011 and 2010, we recorded a full valuation allowance against our net deferred tax assets due to operating losses incurred since inception. Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Accordingly, the net deferred tax assets were fully offset by a valuation allowance.

We are subject to income tax audits by the respective tax authorities in all of the jurisdictions in which we operate. The determination of tax liabilities in each of these jurisdictions requires the interpretation and application of complex and sometimes uncertain tax laws and regulations. The recognition and measurement of current taxes payable or refundable and deferred tax assets and liabilities requires that we make certain estimates and judgments. Changes to these estimates or a change in judgment may have a material impact on our tax provision in a future period.

ASC 740 requires a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. We record a liability for the difference between the benefits recognized and measured and the tax position taken or expected to be taken on our tax return. To the extent that our assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. We report tax-related interest and penalties as a component of income tax expense.

Basic and Diluted Net Loss per Share. Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding for the period, net of shares subject to repurchase. Diluted loss per share reflects the dilution of common stock equivalents such as convertible preferred stock and warrants to the extent the impact is dilutive. As we incurred net losses for the years ended December 31, 2011 and 2010, all potentially dilutive securities have been excluded from the diluted net loss per share computations, as their effect would be anti-dilutive.

The following table shows the weighted-average number of potentially dilutive shares excluded from the diluted net loss per share calculation for the years ended December 31, 2011, and 2010 and for the period from October 4, 2006 (inception date) through December 31, 2011:

Shares EXCLUDED in Diluted Net Loss per Share Calculation	**For the years ended**		**Period from October 4, 2006 (inception date) through**
	December 31, 2011	**December 31, 2010**	**December 31, 2011**
Series A preferred stock	4,817,500	4,746,486	2,058,557
Series B preferred stock	5,000,000	2,345,382	1,400,765
Warrants - Common	317,675	130,648	100,038
Warrants - Series A	-	71,014	88,798
Warrants - Series B	5,000,000	2,345,382	1,400,765
Stock options	5,206,213	2,413,388	1,498,722
Unvested restricted stock	94,097	561,247	319,997
Total weighted average number of potentially dilutive shares excluded from the diluted net loss per share calculation	20,435,485	12,613,548	6,867,643

Restricted Stock. We granted restricted stock awards, restricted by a service condition, with vesting periods of up to 3 years. Restricted stock awards are valued using the fair market value of our common stock as of the date of grant. We recognize compensation expense on a straight-line basis over the requisite service period of the award. The remaining unvested shares are subject to forfeitures and restrictions on sale, or transfer, up until the vesting date.

Share-Based Payment. We recognize expense related to the fair value of our stock-based compensation awards adjusted to reflect only those shares that are expected to vest. We made the following estimates and assumptions in determining fair value of stock options:

- *Valuation and amortization method* — We estimate the fair value of stock options granted using the Black-Scholes-Merton option-pricing formula and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period.

- *Expected Term* — Our expected term represents the weighted-average period that our stock-based awards are expected to be outstanding. We applied the "Simplified Method" as defined in the Securities and Exchange Commission's Staff Accounting Bulletin No. 107 and 110.
- *Expected Volatility* — Our expected volatilities are based on the historical volatility of comparable public companies' stock for a period consistent with our expected term.
- *Expected Dividend* — The Black-Scholes-Merton valuation model calls for a single expected dividend yield as an input. We currently pays no dividends and do not expect to pay dividends in the foreseeable future.
- *Risk-Free Interest Rate* — We base the risk-free interest rate on the implied yield currently available on United States Treasury zero-coupon issues with an equivalent remaining term.

The weighted-average fair value calculations for options granted within the period were made using the Black-Scholes-Merton option pricing model with the following assumptions:

Employee and Non-Employee Stock Options	For the years ended December 31, 2011	For the years ended December 31, 2010	For the period from October 4, 2006 (inception date) through December 31, 2011
Risk-free interest rate	0.76%-3.47%	1.41%-3.30%	0.76%-3.47%
Expected volatility	88.23%-106.78%	88.75%-91.45%	88.23%-106.78%
Expected life (years)	4.14-9.50	5.27-6.06	4.14-10.00
Common stock weighted average fair value per share	$0.03	$0.10	$0.14
Dividend yield	— %	— %	—%

Weighted-average fair value calculations for warrants granted within the period were made using the Black-Scholes-Merton option pricing model with the following assumptions:

Warrants	For the years ended December 31, 2011	For the years ended December 31, 2010	For the period from October 4, 2006 (inception date) through December 31, 2011
Risk-free interest rate	0.95%-2.21%	1.41%-3.30%	0.95%-3.06%
Expected volatility	88.23%-106.78%	88.75%-91.45%	87.76%-106.78%
Expected life (years)	5	5.27-6.14	5 - 7
Common stock weighted average fair value per share	$0.03	$0.10	$0.14
Dividend yield	—	—	—

Concentration of Credit Risk. Financial instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents. We mitigate our risk with respect to cash and cash equivalents by maintaining our deposits at high-quality financial institutions and monitoring the credit ratings of those institutions.

Fair Value Measurement. Fair value, as defined in ASC Topic 820 "Fair Value Measurement and Disclosures", is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset should reflect its highest and best use by market participants, whether an in-use or an in-exchange valuation premise. The fair value of a liability should reflect the risk of nonperformance, which includes, among other things, our credit risk.

Valuation techniques are generally classified into three categories: the market approach, the income approach, and the cost approach. The selection and application of one or more of the techniques requires significant judgment and are primarily dependent upon the characteristics of the asset or liability, the principal (or most advantageous) market in which participants would transact for the asset or liability and the quality and availability of inputs. Inputs to valuation techniques are classified as either observable or unobservable within the following hierarchy:

Level 1 Inputs

These inputs come from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs

These inputs are other than quoted prices that are observable, for an asset or liability. This includes: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than

quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs

These are unobservable inputs for the asset or liability, which require our own assumptions. As required by ASC Topic 820, financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. Our only financial asset carried at fair value is cash held in a commercial bank accounts with short-term maturities. We consider the statements we receive from the bank as a quoted price (Level 1 measurement) for cash and measure the fair value of this asset using the bank statements. Both the carrying amount and the fair market value (Level 1) at December 31, 2011 and 2010 were $511 and $67,338, respectively.

Recent Accounting Pronouncements.

We do not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

2. Ability to Continue as a Going Concern.

The accompanying financial statements have been prepared on the going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. We have experienced net losses since inception of $11,982,698 and net cash used in operations since inception of $10,294,951. Our activities are developmental in nature, and as such, we have yet to generate any revenues. These factors raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern and carry out our business plan is dependent on several factors, including the ability to raise a significant amount of capital for project development, capital expenditures, and operating expenses. We need to raise significantly more capital and secure a significant amount of debt to complete our business plan and continue as a going concern.

Management believes that it will be able to raise additional capital through equity offerings and debt financings to continue pursuing our business plan.

3. Equipment.

Equipment consists of the following:

	December 31, 2011	December 31, 2010
Equipment	$ —	$ 26,176
Less accumulated depreciation	(—)	(13,815)
Total net property and equipment	$ —	$ 12,361

For the years ended December 31, 2011 and 2010 and for the period from October 4, 2006 (inception date) December 31, 2011, we recorded $2,181, $8,725 and $15,996 in depreciation, respectively.

4. Land Options.

We acquired options to purchase 16,135 acres of land in Central California and options to purchase an easement on an additional 10,864 acres. The terms of these options were typically from two years to four years and provided us the right to acquire the land at a set price per acre subject to the satisfaction, in our sole discretion, of our due diligence. On April 19, 2011 we transferred the ownership rights and obligations associated with the land option payments to PV2 Energy and its affiliate companies. We retain a 10 percent member interest in PV2 Energy Land Holding LLC. We carry no value for the land options on our balance sheet due to our lack of control over the option agreements. There is still significant risk associated with the completion of the solar farm projects. In addition, any cash earned from Nevo

Energy's membership interest in PV2 Energy Land Holding LLC will be distributed according to the Asset Sale Agreement. The Panoche Valley Sale Agreement stipulates profit interests and cash distributions go to the Nevo Energy shareholders listed on the sale transaction disclosure. Nevo Energy will not retain any profits from the sale transaction within the corporation. **5. Accrued Taxes Payable.**

Accrued Taxes Payable resulted from $87,084 of delinquent payroll tax liabilities for the periods from March 31, 2001 to December 1, 2001 plus accrued interest and penalties, see *Note 10. Commitments and Contingencies*.

6. Accrued Payroll Liabilities.

Our payroll liabilities resulted from accrued, but not paid, salaries and benefits to employees.

7. Promissory Notes.

On December 31, 2010, Navitas Capital LLC loaned $65,000 with an annual interest rate charge of 10% and received warrants to purchase 50,000 shares of Nevo Energy Common Stock at a $ 0.20 per share strike price and a five-year right to exercise the warrants. As of December 31, 2011, Navitas Capital LLC loans have a $71,855 balance outstanding under this agreement. Adam McAfee, Nevo Energy, CFO serves as a managing member and has a 4.6% ownership interest in Navitas Capital LLC. Michael Peterson, Nevo Energy, CEO has a 4.6% passive investor ownership interest in Navitas Capital.

In March 2011 Park Capital Management, LLC loaned $18,000 through a series of Promissory Notes with annual interest rates of 10% and received warrants to purchase 13,500 shares of Nevo Energy Common Stock at a $ 0.20 per share strike price and a five year right to exercise the warrants. As of December 31, 2011, Park Capital Management has an $8,675 balance outstanding under this agreement. Adam McAfee, Nevo Energy's CFO serves as a managing member and has 50% ownership interest in Park Capital Management LLC. These common stock warrants all bear a restricted legend.

In March 2011 the Peterson Family Trust loaned $19,000 through a series of Promissory Notes with annual interest rates of 10% and received warrants to purchase 14,250 shares of Nevo Energy Common Stock at a $ 0.20 per share strike price and a five-year right to exercise the warrants. As of December 31, 2011, Peterson Family Trust loans have a $9,728 balance outstanding under this agreement. Michael Peterson, Nevo Energy's CEO and President, serves as trustee and has 50% ownership interest in the trust. These common stock warrants all bear a restricted legend.

In March 2011 Laird Q. Cagan loaned $10,000 through a Promissory Note with an annual interest rate of 10% and received warrants to purchase 7,500 shares of Nevo Energy Common Stock at a $0.20 per share strike price and a five year right to exercise the warrants.

On March 31, 2011, Mr. Cagan loaned $250,000 under a Convertible Secured Promissory note carrying a ten percent per annum interest rate, and optional equity conversion rights substantially similar or better than the Series C preferred stock term sheet presented at the time of loan. In the event of conversion, Mr. Cagan would be granted warrants to purchase 500,000 shares of the Series C Preferred at $0.50 cents per share with a five-year term and cashless exercise provision. A first priority lien against the Company assets secured the loan. A right to terminate the CAISO Interconnection Application upon written notice provided addition security to the Lender. The proceeds for the loan were restricted to being used by the Company for the Company's California ISO 300 MW interconnect review application fee paid on March 31, 2011. As part of the PV2 Energy purchase of the Panoche Valley solar farm project, a $250,000 negotiated payoff amount removed the remaining loan obligation and liens against the Company's assets. As of December 31, 2011, Laird Q. Cagan had no outstanding loan balances with the Company. Laird Q. Cagan owns common shares in Nevo Energy and is engaged by the Company as a registered representative to sell securities for our firm.

In March 2011 John Pimentel loaned $10,000 through a Promissory Notes with annual interest rates of 10% and received warrants to purchase 7,500 shares of Nevo Energy Common Stock at a $0.20 per share strike price and a five year right to exercise the warrants. As of December 31, 2011, John Pimentel had no outstanding promissory note balances with the Company. John Pimentel owns common shares in Nevo Energy and was employed as an advisor to the Company. These common stock warrants all bear a restricted legend.

From January to December 31, 2011 McAfee Capital, LLC loaned $172,720 through a series of Promissory Notes with annual interest rates of 10% and received warrants to purchase 129,539 shares of Nevo Energy Common Stock at a $ 0.20 per share strike price and a five year right to exercise the warrants. These common stock warrants all bear a restricted legend. As of December 31, 2011, this set of McAfee Capital LLC loans has an outstanding balance of $185,234.

On April 12, 2011 McAfee Capital, LLC agreed to convert $41,112 of its then outstanding paralegal services bills to a promissory note bearing a 10 percent annual interest rate and a maturity date of April 12, 2018. As of December 31, 2011 a balance of $44,195 remains outstanding on McAfee Capital's paralegal services loan.

On April 12, 2011 Aemetis Inc. (formerly known as AE Biofuels, Inc.) agreed to convert $62,151 of its then outstanding rent bills to a promissory note bearing a 10 percent annual interest rate and a maturity date of April 12, 2018. As of December 31, 2011 a balance of $66,812 remains outstanding on Aemetis' rent loan.

8. Other Current Liabilities.

Since January 2011, Nevo Energy employees have advanced a portion of their salaries to assure continuation of health and other employee benefits, while the Company pursues its next project. Other current liabilities include accrued interest payments on outstanding notes and accrued outstanding vendor obligations.

	December 31, 2011	December 31, 2010
Advances	$ 88,071	$ 0
Other Accrued Liabilities	32,015	98,243
Total Other Current Liabilities	$ 120,086	$ 98,243

9. Operating Leases.

In July 2009, we entered into a non-cancelable operating lease with AE Biofuels, Inc. for approximately 3,000 square feet of office space in Cupertino, California. This lease expires May 31, 2012 and requires payment of lease plus our share of operating expenses. We record rent expense on a straight-line basis. Future minimum operating lease payments as of December 31, 2011 follow:

	Rental Payments
2012	35,696
Total	$ 35,696

For the years ended December 31, 2011 and 2010 and for the period from October 4, 2006 (date of inception) through December 31, 2011, we recorded rent expense of $84,823, $87,223 and $213,656, respectively. See Note 16 Related Party Transactions.

10. Commitments and Contingencies.

Solargen Energy, Inc. assumed delinquent payroll tax liabilities for the periods from March 31, 2001 to December 1, 2001 when it merged with TMEX USA in February 2009. The liability was initially recognized as $113,050 in October 2006. The Internal Revenue Service (IRS) and State of California Employment Development Department liens were placed prior to TMEX USA's bankruptcy. We accrued interest and penalties as well as the liability reported to us by governing taxing authorities. As of December 31, 2011 and 2010 we carried a balance outstanding of $157,814 and $148,646, respectively, related to this matter. A settlement, offer-in-compromise, and appeal has been proposed and rejected by the IRS. This tax matter is currently in uncollectible status with the IRS.

11. Stockholders' Equity.

Common Stock Reserved for Issuance

Our authorized capital includes 500,000,000 shares of common stock, $0.0001 par value ("Common Stock").

See following for potential dilutive shares reserved for future issuance of common stock through conversion rights or exercising option or warrant purchase rights as of December 31, 2011 and 2010.

Potential dilutive stock	December 31, 2011	December 31, 2010
Convertible Series A preferred stock	4,817,500	4,817,500
Convertible Series B preferred stock	5,000,000	5,000,000
Series B warrants	5,000,000	5,000,000
Common stock warrants	365,974	193,685
Issued employee stock options	5,206,213	5,206,213
Stock options available for future issuance	1,398,037	793,787
Total potential dilutive stock reserved	**21,787,724**	**21,011,185**

Convertible Preferred Stock

On June 25, 2010, after obtaining the requisite board and stockholder approval, the we filed our Third Amended and Restated Articles of Incorporation with the State of Nevada. The Third Amended and Restated Articles of Incorporation (the "Amended Articles"), among other things, authorized us to issue up to 100,000,000 shares of preferred stock, $0.0001 par value, in one or more classes or series within a class upon authority of the board without further stockholder approval, including (a) 5,000,000 designated shares of Series A Preferred Stock, $0.0001 par value, (b) 10,000,000 designated shares of Series B Preferred Stock, $0.0001 par value, (c) 10,000,000 designated shares of Series C Preferred Stock, $0.0001 par value, and 75,000,000 remaining undesignated authorized shares of preferred stock ("Undesignated Preferred Stock") (collectively, the Series A, Series B and Series C Preferred Stock and the Undesignated Preferred Stock shall be collectively referred as the "Preferred Stock").

From June 25, 2010 to December 14, 2010 Solargen Energy, Inc. issued 5,000,000 shares of Series B Preferred stock for an aggregate purchase price of $5,000,000, which consisted of $3,878,462 in cash and $1,121,538 from the conversion of promissory notes and associated accrued interest on notes. In connection therewith, from June 25, 2010 to December 14, 2010 Solargen Energy, Inc. issued to the same investors 5,000,000 Series B Preferred Stock warrants with a five-year term exercisable at $1.00 per share. These shares and warrants bear a restricted legend.

Pursuant to the terms of the Company's Amended Articles, the rights, preferences, and limitations of the Preferred Stock and Common Stock are summarized as follows:

Liquidation Preference. In the event of any liquidation or winding up of the Company, the holders of the Series A Preferred Stock, *pari-pasu* with other series of Preferred Stock, shall be entitled to receive in preference to the holders of Common Stock an amount equal to one times (1x) the Series A Preferred Original Purchase Price ($1.00), plus any dividends accrued but unpaid on the Preferred Stock. In the event of any liquidation or winding up of the Company, holders of the Series B Preferred Stock, *pari-pasu* with other series of Preferred Stock, shall be entitled to receive in preference to the holders of Common Stock an amount equal to two times (2x) the Series B Preferred Original Purchase Price ($1.00), plus any dividends accrued but unpaid on the Preferred Stock. In the event of any liquidation or winding up of the Company, holders of the Series C Preferred Stock, *pari-pasu* with other series of Preferred Stock, shall be entitled to receive in preference to the holders of Common Stock an amount equal to one times (1x) the Series C Preferred Original Purchase Price ($3.00), respectively, plus any dividends accrued but unpaid on the Preferred Stock. After full payment of the liquidation preference under a liquidation or winding up of the Company, any remaining proceeds shall be paid to the holders of Common Stock.

Qualified Sale. In the event that the holders of two-thirds of the then outstanding shares of Preferred Stock (voting together) so elect by a written consent, the voluntary sale, conveyance, lease, exchange or transfer of a majority of the assets of the Corporation on a consolidated basis, or of a majority of the assets of any subsidiary of the Corporation, or a consolidation or merger of the Corporation, or any subsidiary of the Corporation, with one or more other corporations or other entities (where, as the result of such merger or consolidation, the stockholders of the Corporation, or any subsidiary of the Corporation, shall own less than 50% of the voting securities of the surviving corporation), shall be deemed to be a "Qualified Sale." Upon a "Qualified Sale," the holders of Series A and Series B Convertible Preferred Stock shall be entitled to receive a distribution on each share of Series A or Series B Convertible Preferred Stock then held by them equal to the Liquidation Preference for such share of Series A or Series B Convertible Preferred Stock. In such event, the Series A and the Series B Convertible Preferred Stock shall be paid their Liquidation Preference of their proportionate share on a *pari-pasu* basis.

Dividends. Annual 5% non-cumulative dividends on Series A, Series B, and Series C Preferred Stock, payable when, as and if declared by the Board, and prior and in preference to any declaration or payment of dividends on other shares of capital stock. Payment of any dividends to the holders of the Preferred Stock shall be on a *pro rata*, *pari-passu* basis in proportion to the

dividend rates for each series of Preferred Stock. For any other dividends or similar distributions, Preferred Stock participates with Common Stock on an as-converted basis.

Voting Rights. The Series A, Series B, and Series C Preferred Stock will vote together with the Common Stock and not as a separate class, except as specifically provided or as otherwise required by law. Each share of Series A, Series B, and Series C Preferred Stock shall have a number of votes equal to the number of shares of Common Stock then issuable upon conversion of such share of Series A, Series B, and Series C Preferred Stock.

Protective Provisions. So long as any shares of Series A, Series B, and Series C Preferred Stock are outstanding, the Company shall not without first obtaining the approval (by written consent, as provided by law) of the holders of at least two-thirds of the then outstanding shares of Preferred Stock, voting together as a class: (i) authorize a total liquidation, dissolution, winding up, recapitalization or reorganization of the Company; (ii) effect an exchange, reclassification, or cancellation of all or a part of the Series A, Series B, and Series C Preferred Stock; (iii) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A, Series B, and Series C Preferred Stock; (iv) effect an exchange, or create a right of exchange, of all or part of the shares of another class of shares into shares of Series A, Series B, and Series C Preferred Stock; or (v) alter or change the rights, preferences or privileges of the shares of Series A, Series B, and Series C Preferred Stock so as to affect adversely the shares of such series, including the conversion rate.

Optional Conversion. The holders of the Series A, Series B, and Series C Preferred Stock shall have the right to convert their shares of Series A, Series B, and Series C Preferred Stock, at any time, into shares of Common Stock at the then effective conversion rate. The conversion rate of the Series A, Series B, and Series C Preferred Stock is one share of Common Stock shares for each share of Series A, Series B, and Series C Preferred Stock, respectively, subject to adjustment as provided in the Amended Articles.

Mandatory Conversion. Each share of Series A, Series B, and Series C Preferred Stock shall be automatically converted to Common Stock if the Company: (a) consummates the sale of its capital stock at a sale price equal to or exceeding $3.00 per share and the aggregate proceeds to the Company equal to or exceed $20,000,000, and (b) becomes a publicly reporting company under the Securities and Exchange Act of 1934, as amended and the Corporation's Common Stock is traded on a national exchange;

Further, each share of Series A, Series B, and Series C Preferred Stock shall be automatically converted to Common Stock if the holders of the majority of the then outstanding shares of Preferred Stock elect to consummate an automatic conversion.

Additionally, each share of Series B Preferred Stock shall be automatically converted to Common Stock, if the Liquidation Preference of the outstanding Series B Preferred Stock has been paid in full pursuant to one or more Qualified Sales.

Adjustments. The conversion rate of the Series A, Series B, and Series C Preferred Stock will be adjusted in the event of any subdivisions or combinations of the Company's Common Stock. The applicable Dividend Rate, Original Issue Price and Liquidation Preference of the Preferred Stock will be adjusted for any subdivisions or combinations of the Company's Preferred Stock.

Preemption. The holders of Series A, Series B, and Series C Preferred Stock have no preemptive rights; however, certain holders of Series A and Series B Preferred Stock have negotiated a right of first refusal on sales of future equity offerings of the Company under the Stockholders Agreement referenced above.

Redemption. The Company has no obligation to redeem the Common Stock or Series A, Series B and Series C Preferred Stock; provided however, that each share of Series A Preferred Stock (but not less than all) shall be considered automatically redeemed and cancelled upon the full payment of the Liquidation Preference to all outstanding holders of Series A Preferred Stock pursuant to one or more Qualified Sales.).

Undesignated Preferred. The Undesignated Preferred stock was authorized without additional description or details and may be amended by the Board of Directors. There are no dividends, voting, conversion, or liquidation rights of the Undesignated Preferred Stock at this time.

12. Private Placement Preferred Stock Warrants and Advisor Warrants.

Weighted-average fair value calculations for warrants granted within the periods indicated below were made using the Black-Scholes-Merton option-pricing model with the following assumptions:

Warrants	For the years ended December 31, 2011	December 31, 2010	For the period from October 4, 2006 (inception date) through December 31, 2011
Risk-free interest rate	0.95%-2.21%	1.41%-3.30%	0.95%-3.06%
Expected volatility	88.23%-106.78%	88.75%-91.45%	87.76%-106.78%
Expected life (years)	5	5.27-6.14	5 - 7
Common stock weighted average fair value per share	$0.03	$0.10	$0.14
Dividend yield	—	—	—

In June, September and October, 2009, we issued warrants to purchase 60,000 shares of Common Stock to placement agents at an exercise price of $1.00 per share exercisable for a period of seven years from the date of issuance with provisions for immediate vesting, net exercise and transferability. We recorded issuance costs against Series A Preferred Stock for the year ended December 31, 2009 in the amount of $15,701 for the fair value of these warrants. This charge was estimated using the Black-Scholes-Merton model and the assumptions stated above.

For the year ended December 31, 2010, the placement agents exercised warrants to purchase 7,076 shares of common stock issued in connection with sales of our Series A Preferred Stock. No warrants were issued to the placement agent prior to September 30, 2009.

In May 2009 we issued warrants to purchase 85,000 shares of Common Stock in connection with services provided under advisor agreements at an exercise price of $1.00 per share exercisable for a period of seven years from the date of issuance. We recorded an expense for the year ended December 31, 2009 of $26,850 for the value of these warrants using the Black-Scholes-Merton model using assumptions stated above.

In August 2009 we issued warrants to purchase 1,480,000 shares of Series A Preferred Stock to an investor in connection with an investment made by this investor. The warrants were issued at an exercise price of $1.00 per share and were exercisable for a period of two years from the date of issuance. On December 31, 2009 and February 24, 2010, this investor exercised 1,000,000 and 480,000, respectively, of these warrants.

During the year ended December 31, 2010, we issued warrants to purchase 5,000,000 shares of Series B Preferred Stock to investors in connection with their investment in Series B Preferred Stock. The warrants were issued at an exercise price of $1.00 per share and were exercisable for a period of five years from the date of issuance.

On December 31, 2010, we issued warrants to purchase 50,000 shares of common stock to Navitas Capital, LLC in connection with their issuance of a $65,000 promissory note. See *Note 14 Related Party Transactions*. These warrants were issued at an exercise price of $0.20 per share and were exercisable for a period of five years from the date of issuance.

The warrants issued provide the holder with the right to purchase restricted shares of our stock for a period of either five or seven years. The restrictions lapse once we register the shares with the Securities and Exchange Commission. Thereafter, the shares may trade according to Rule 144 of the Securities Act.

13. Stock-Based Compensation.

Stock Incentive Plan

Weighted-average fair value calculations for options granted within the periods indicated below were made using the Black-Scholes-Merton option-pricing model with the following assumptions:

Employee and Non-Employee Stock Options	For the years ended December 31, 2011	December 31, 2010	For the period from October 4, 2006 (inception date) through December 31, 2011
Risk-free interest rate	0.76%-3.47%	1.41%-3.30%	0.76%-3.47%
Expected volatility	88.23%-106.78%	88.75%-91.45%	88.23%-106.78%
Expected life (years)	4.14-9.50	5.27-6.06	4.14-10.00
Common stock weighted average fair value per share	$0.03	$0.10	$0.14
Dividend yield	— %	— %	—%

During 2009, we adopted the 2009 Equity Incentive Plan ("the 2009 Stock Plan"). The 2009 Stock Plan provides for the grant of the

following awards: incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock unit awards and stock appreciation rights. A total of 4,000,000 shares were authorized under the 2009 Stock Plan. On June 22, 2010, the stockholders approved an increase of 2,000,000 shares authorized under the 2009 Stock Plan. The authorized shares under the 2009 Stock Plan is subject to automatic share increases beginning 2011 of a maximum of 1,000,000 shares per year (or 3% of the total number of shares outstanding), subject to approval by the Board of Directors. On January 1, 2011 the evergreen feature of the stock plan provided for 604,250 additional authorized stock options eligible to be issued under the plan. Stock options generally expire ten years from the date of grant and are exercisable at any time after the date of the grant, subject to vesting. Shares issued upon early exercise are subject to a right of repurchase, which lapses according to the vesting schedule of the original option. Exercise price may not be less than 100% of the fair value of shares on the date of grant. During the three months ended September 30, 2010, stock options were issued with vesting terms of 1 or 4 years. No stock options were issued in 2011.

The following table summarizes stock option activity under the 2009 Stock Plan:

	Shares Available For Grant	Number of Shares Outstanding	Weighted-Average Exercise Price per share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance as of December 31, 2008 and 2007	—	—	—	—	—
Authorized	4,000,000				
Granted	(950,000)	950,000	$ 1.00		
Balance as of December 31, 2009	3,050,000	950,000	$ 1.00	9.75	$ 8,559,500
Authorized	2,000,000				
Granted	(4,256,213)	4,256,213	$ 0.44		
Balance as of December 31, 2010	793,787	5,206,213	$ 0.37	9.43	$ 26,707,959
Authorized	604,250				
Granted	—				
Balance as of December 31, 2011	1,398,037	5,206,213	$ 0.37	8.24	$ -

The aggregate intrinsic value of the shares outstanding at December 31, 2011 and 2010 were $0 and $26,707,959, respectively. The aggregate intrinsic value represents the total pretax intrinsic value, based on the excess of our closing OTC market stock price at December 31, 2011 of $0.0125 per share and December 31, 2010 of $5.50 per share, over the option holders' strike price, which would have been received by the option holders had all option holders exercised their options as of the respective dates. The intrinsic value based on the excess of fair value of our stock, as determined by independent common stock valuation, over stock option strike price at December 31, 2011 and 2010 was zero. Included in stock compensation expense in the fourth quarter of 2009 and 2010 is $2,306 of costs related to valuing 286,213 stock options issued to non-employees.

We incurred non-cash stock based compensation expense of $325,091 during 2011 and $173,402 during 2010, for options granted to our general and administrative employees, a director and a consultant. All stock option expense was classified as general and administrative expense. As of December 31, 2011, we have no unrecognized compensation costs related to stock options

Restricted Stock Awards

On December 1, 2008 and January 15, 2009, we issued to employees 1,050,000 shares of common stock at $0.0001 per share and to consultants 120,000 shares of common stock at $0.05 per share under restricted stock purchase agreements. These shares were issued as an incentive to retain key consultants, employees and officers and ratably vest over three years on a monthly basis. Restricted stock awards are valued using the fair market value of our common stock as of the date of grant. We recognize compensation expense on a straight-line basis over the requisite service period of the award. The remaining unvested shares are subject to repurchase and restrictions on sale, or transfer, up until the vesting date. Unvested shares are included in diluted net loss per share calculations.

The following table summarizes rights issued under the restricted stock awards:

	Number of Shares Outstanding	Weighted Average Grant Date Fair Value Per Share
Restricted shares subject to repurchase as of December 31, 2007	-	-
Shares issued	1,020,000	$0.0001
Restricted shares subject to repurchase as of December 31, 2008	1,020,000	$0.0001
Shares issued	150,000	$0.0500
Shares vested	(380,297)	($0.0055)
Shares repurchased	(23,333	($0.0001
Restricted shares subject to repurchase as of December 31, 2009	766,370	$0.0070
Shares vested	(381,041)	($0.0061)
Restricted shares subject to repurchase as of December 31, 2010	385,329	$0.0072
Shares vested	(385,329)	($0.0063)
Restricted shares subject to repurchase as of December 31, 2011	0	$0.0000

14. Discontinued Operations.

On April 19, 2011, Solargen Energy, Inc. sold assets associated with the Panoche Valley solar farm project to PV2 Energy, including intellectual property, land options and equipment, and transferred liabilities of approximately $2.4 million. Certain other obligations related to Solargen employees, directors, advisors, insiders or non-project related payables remained with the Company. As part of the transfer of intellectual property, Solargen Energy changed its name to Nevo Energy, Inc.

PV2 Energy will share a fifteen percent residual interest from the sale proceeds with Nevo Energy investors. The residual interest is subject to a cash payout waterfall. Proceeds from the project liquidation will go directly to a trust account, where sale proceeds will be distributed directly to Nevo Energy investors.

15. Deficit Accumulated During the Development Stage (Quasi-reorganization October 31, 2006).

In recognition of the change in ownership of TMEX USA, and the restructuring of operations to pursue a new business plan, TMEX USA instituted a quasi-reorganization effective October 31, 2006. Accordingly, all assets, of which there were none, and accumulated deficit were retroactively restated to zero dollars as of October 31, 2006. As a result, we offset the negative accumulated deficit arising from TMEX USA's operations prior to exiting bankruptcy against the paid-in capital account. Certain acquired tax liabilities were stated at fair value with estimates for accrued interest and penalties. As a result of the quasi reorganization, the deficit accumulating during the development stage of Solargen Energy, Inc. contains only operating results from Solargen Energy, Inc. private, for the years 2006, 2007 and 2008. As a result of the TMEX USA quasi-reorganization, only results from Solargen Energy Inc. private appear in inception to date calculations beginning October 4, 2006. "Inception" in titles refers to the beginning of Solargen Energy Inc. private operations and not TMEX USA operations prior to October 31, 2006. TMEX USA expenditures from December 2003 to October 31, 2006 were reclassified to additional paid-in capital.

16. Related Party Transactions.

McAfee Capital bills us for certain expense reimbursements, principally in connection with services provided by McAfee Capital paralegal and administrative personnel. For the twelve months ended December 31, 2011 and 2010 and for the period from October 4, 2006 (date of inception) through December 31, 2011, we paid or accrued McAfee Capital $82,710, $98,635 and $374,780 respectively. Eric A. McAfee, an officer and member of our board of directors, owns 100% of McAfee Capital.

CM Consulting bills us for direct use of its charter airplane service. For the twelve months ended December 31, 2011 and 2010 and for the

period from October 4, 2006 (date of inception) through December 31, 2011, we paid CM Consulting $0, $0, and $20,725, respectively. Eric A. McAfee, a member of our board of directors, owns 50% of CM Consulting.

We entered into an agreement with Eric A. McAfee, a member of our board of directors, pursuant to which we pay Mr. McAfee a monthly salary of $10,000 per month for services rendered to us as a Board member. Beginning April 2010, this monthly salary was reduced to $5,000 per month. For the twelve months ended December 31, 2011 and 2010 and for the period from October 4, 2006 (date of inception) through December 31, 2011, we paid or accrued to Mr. McAfee $60,000, $75,000, and $340,000, respectively, pursuant to this agreement.

We are billed by Cagan McAfee Capital Partners for certain expense reimbursements, principally in connection with services provided by Eric A. McAfee and his administrative personnel. For the twelve months ended December 31, 2011 and 2010 and for the period from October 4, 2006 (date of inception) through December 31, 2011, we paid Cagan McAfee Capital Partners $0, $0, and $14,661, respectively. Eric A. McAfee and Laird Q. Cagan, both significant shareholders, each own 50% of Cagan McAfee Capital Partners.

In July 2009, we entered into a lease agreement with AE Biofuels, Inc. for approximately 3,000 square feet of leased space. Eric McAfee is also a member of the Board of Directors and a significant shareholder of AE Biofuels, Inc. Michael Peterson, a member of our Board of Directors and Chief Executive Officer is also a member of the Board of Directors of AE Biofuels, Inc. For the years ended December 31, 2011 and 2010 and for the period from October 4, 2006 (date of inception) through December 31, 2011, we recorded rent expense of $84,823, $87,223 and $213,656, respectively. See *Note 9 Operating Leases*.

On December 31, 2010, Navitas Capital LLC loaned $ 65,000 to us with an annual interest rate charge of 10% and received warrants to purchase 50,000 shares of Solargen Energy Common Stock at a $ 0.20 per share strike price. The right to exercise the warrants lasts for five years. Adam McAfee, Solargen Energy, CFO serves as a managing member and has a 4.6% ownership interest in Navitas Capital LLC. Michael Peterson, Solargen Energy, CEO has a 4.6% passive investor ownership interest in Navitas Capital.

17. Income Tax.

We file a consolidated federal income tax return and a state tax return in the state of California. Components of tax expense consist of the $800 per entity for the minimum state tax fee plus interest and penalties. No federal income tax was recorded for the years ended December 31, 2011, 2010, 2009, 2008 or 2007.

Income tax expense differs from the amounts computed by applying the statutory U.S. federal income tax rate (34%) to income before income taxes as a result of the following:

	Year Ended December 31,		Period from October 4, 2006 (inception date) through
	2011	**2010**	**December 31, 2011**
Income tax expense at the federal statutory rate	$ (379,683)	$ (2,753,202)	$ (4,064,999)
Increase (decrease) resulting from:			
State tax	(62,514)	(471,394)	(692,802)
Stock-based compensation	128,579	67,035	202,937
Other	3,811	479	5,955
Valuation allowance	313,807	3,158,682	4,556,108
Income tax expense	$ 4,000	$ 1,600	$ 7,200
Effective tax rate	(0.36)%	(0.02)%	(0.06)%

The components of the net deferred tax asset or (liability) are as follows:

	December 31,	
	2011	**2010**
Deferred tax assets (liabilities):		
Organization and start-up costs	$ 4,337,375	$ 4,210,867
Accrued TMEX liability	45,034	45,034
Accrued Interest on TMEX liability	17,830	14,178
Net operating loss carryforward	27,389	27,389
Accrued Compensation	139,638	(42,220
NSO stock expense	29,797	28,878
Other, net	2,475	1,606
Total deferred tax assets (liabilities)	4,599,539	4,285,732
Less valuation allowance	$ (4,599,539)	(4,285,732)
Deferred tax assets (liabilities)	—	—

We file a consolidated federal income tax return and a state tax return in the state of California. There is only one component of income tax expense, which consisted of the minimum $800 state tax fee for five entities. No federal income tax was recorded for the years ended December 31, 2011 or 2010.

Based on our evaluation of current and anticipated future taxable income, we believe it is more likely than not that insufficient taxable income will be generated to realize the net deferred tax assets, and accordingly, a full valuation allowance has been set against these net deferred tax assets.

We recognize the tax benefits from uncertain tax positions in our financial statements only if the position is more-likely-than-not of being sustained on audit, based on the technical merits of the position. Tax positions that meet the recognition threshold are reported at the largest amount that is more-likely-than-not to be realized. This determination requires a high degree of judgment and estimation. We periodically analyze and adjust amounts recorded for our uncertain tax positions, as events occur to warrant adjustment, such as when the statutory period for assessing tax on a given tax return or period expires or if tax authorities provide administrative guidance or a decision is rendered in the courts. We do not reasonably expect the total amount of uncertain tax positions to significantly increase or decrease within the next 12 months. As of December 31, 2011, our uncertain tax positions were not significant.

As of December 31, 2011, tax years from 2006 through present are subject to examination by federal and state taxing authorities. Penalties and interest for income taxes are recognized as a component of income tax expense.

18. Subsequent Events.

On March 22, 2012, Navitas Capital LLC increased its loan to Nevo Energy, Inc. by $30,000 to $95,000 in exchange for accruing an additional $6,500 extension fee, which will be added to the principal amount of the loan. The loan matures on March 21, 2013 and accrues interest at 10 percent per annum. The loan also gives the holder the right to exercise 95,000 common stock warrants at an exercise price of $0.01 per share for a five-year period.