CLEAN ENERGY TECHNOLOGIES, INC.

FORM 10-K/A
(Amended Annual Report)

Filed 04/28/17 for the Period Ending 12/31/16

Address	2990 REDHILL AVE
	COSTA MESA, CA 92626
Telephone	(949) 273-4990
CIK	0001329606
Symbol	CETY
SIC Code	3672 - Printed Circuit Boards
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No.1

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

For the fiscal year ended: **December 31, 2016**

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

For the transition period from ______________________ **to** ____

Commission File Number: **333-125678**

CLEAN ENERGY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-2675800**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2990 Red Hill Ave, Costa Mesa, California 92626
(Address of principal executive offices)

(949) 273-4990
(Registrant's telephone number)

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

None.

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

None

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
[X] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ] (Do not check if a smaller reporting company)	Smaller reporting company	**[X]**

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2016 was $500,574 based upon the price ($0.031) at which the common stock was last sold as of the last business day of the most recently completed second fiscal quarter, multiplied by the approximate number of shares of common stock held by persons other than executive officers, directors and five percent stockholders of the registrant without conceding that any such person is an "affiliate" of the registrant for purposes of the federal securities laws. Our common stock is not traded in the over-the-counter market and quoted on the Over-The-Counter Bulletin Board.

State the number of shares outstanding of each of the issuer's classes of common equity, as of March 31, 2017 was 194,653,083 shares of common stock, $.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

We are filing this Amendment No.1 to our Form 10-K for the fiscal year ended December 31, 2016, to correct the 2015 financial information that was filed on the Consolidated Balance Sheet. We incorrectly included a Notes Payable – Current – Related Party ("Notes Payable") of $1,291,922 in the 2015 report and have removed it. By removing the incorrect amount in the Notes Payable row our Total Liabilities have also been reduced to $4,498,721 from the incorrect amount of $5,790,643. Also, the correction in the Notes Payable adjusted the Total Liabilities and Stockholders' Deficit from the incorrect amount of $4,540,800 to the correct amount of $3,248,878. This error was only in our Form 10K that was filed with the SEC and not in the XBRL documentation that was also furnished. This Amendment No. 1 also contains currently dated certifications as Exhibits 31.1, 31.2, 32.1, and 32.2. This Amendment No. 1 does not reflect events occurring after the filing of the original Form 10-K or modify or update those disclosures that may be affected by subsequent events. Accordingly, this Amendment No. 1 should be read in conjunction with the Original 10-K and our other SEC filings subsequent to the filing of the Original 10-K.

CLEAN ENERGY TECHNOLOGIES, INC.
(F/K/A PROBE MANUFACTURING, INC.)
10-K

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections. We may use words such as "anticipate," "expect," "intend," "plan," "believe," "foresee," "estimate" and variations of these words and similar expressions to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted. These risks and uncertainties include the following:

- *The availability and adequacy of our cash flow to meet our requirements;*
- *Economic, competitive, demographic, business and other conditions in our local and regional markets;*
- *Changes or developments in laws, regulations or taxes in our industry;*
- *Actions taken or omitted to be taken by third parties including our suppliers and competitors, as well as legislative, regulatory, judicial and other governmental authorities;*
- *Competition in our industry;*
- *The loss of or failure to obtain any license or permit necessary or desirable in the operation of our business;*
- *Changes in our business strategy, capital improvements or development plans;*
- *The availability of additional capital to support capital improvements and development; and*
- *Other risks identified in this report and in our other filings with the Securities and Exchange Commission or the SEC.*

This report should be read completely and with the understanding that actual future results may be materially different from what we expect. The forward looking statements included in this report are made as of the date of this report and should be evaluated with consideration of any changes occurring after the date of this Report. We will not update forward-looking statements even though our situation may change in the future and we assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Term

Except as otherwise indicated by the context, references in this report to "Company", **"CETY," PMFI,"** "Probe," "we," "us," and "our" are references to **Clean Energy Technologies, Inc.,** (f/k/a Probe Manufacturing Inc. **)** All references to "USD" or United States Dollars refer to the legal currency of the United States of America.

PART I

Item 1. Business.

Our Company

Clean Energy Technologies, Inc. (f/k/a Probe Manufacturing, Inc.) (the "Company," "Clean Energy," or "CETY") headquartered in Costa Mesa, California , designs, builds and markets clean energy products focused on energy efficiency and environmentally sustainable technologies. The Company's principal product is the Clean Cycle TM generator, offered by its wholly owned subsidiary Heat Recovery Solutions. The Heat Recovery Solutions system captures waste heat from a variety of sources and turns it into electricity that users can use or sell back to the grid. CETY's proven cutting-edge technology allows any commercial or industrial heat generators to boost their overall energy efficiency with no fuel, no pollutants and virtually no maintenance. Company's engineering and manufacturing resources support its heat recovery solutions business, as well as continuing to support other Clean Energy emerging growth companies with their technologies. CETY is positioned to become a worldwide leader in an ever expanding energy efficiency market.

Heat Recovery Solutions was established in 2008 and was acquired by General Electric International, Inc. in October of 2010. Heat Recovery Solutions has a proven technology and is a leader in a billion-dollar heat to power market. On September 11, 2015,On September 11, 2015, CETY acquired all assets of GE HRS and global patents and licenses for reciprocating engines, biomass and turbine applications and merged its legacy engineering and manufacturing facility with HRS.

The core technology is a magnetic lev bearing generator, which requires no oil or lubricant and has no gear box. We have over 100 units installed globally with more than 1 million fleet operating hours in diesel, gas and biomass applications.

Our growth strategy is to scale up our business by focusing on new market segments & regions in the fuel, incentive and process markets, sell equipment direct and through our global distributors, build and lease systems sites in island nations to offset the cost of their diesel fuel & emissions, license patented technology and proprietary process, develop cogeneration and OEM opportunities and develop higher output generators while lowering the cost.

With our focus on Cleantech we're going to continue to utilize our relationships and core expertise in engineering and manufacturing to identify, acquire and develop leading clean energy and clean technology solutions and products.

On March 15, 2013, we entered into an Agreement and Plan of Acquisition with Trident Manufacturing, Inc., a Utah corporation, ("Trident"), and the shareholders of Trident, to acquire 100% of the issued and outstanding common stock shares of Trident. Trident is a electronics engineering & manufacturing service company with a 16,000 sq. ft. manufacturing facility based in Salt Lake City, Utah and has been servicing the industrial, aerospace, military, instrumentation, and medical markets since 2005.

On March 20, 2013, we completed the acquisition of Trident whereby we acquired 100% of the issued and outstanding common stock shares of Trident and all its operational assets in exchange for 1,600,000 shares of our restricted shares of common stock. As a result of the acquisition, Trident has become a wholly-owned subsidiary of CETY. As a result, we recognized $420,673 in goodwill. On January 2. 2016 we closed the Trident facility in Utah and for the year ended December 31, 2016 we booked an impairment of the Goodwill in the amount of $420,673.

On September 11, 2015 (the "Effective Date"), Clean Energy HRS LLC ("CE HRS"), a wholly owned subsidiary CETY. (together with its consolidated subsidiaries, the "Company"), entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with General Electric International, Inc., a Delaware corporation ("GEII"), pursuant to which the Company acquired GEII's Heat Recovery Solutions ("HRS") assets, including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures. The HRS assets will be used by the Company to manufacture and commercialize Organic Rankine Cycle ("ORC")-based heat recovery power systems. The ORC system comprises GEII's proprietary Clean Cycle turbine generator system and integrated power module, together with related components, controls, power electronics, software and equipment. The Company co-locate and integrated the HRS assets with the Company's existing business at the current HRS facility in Costa Mesa, California. As consideration for the purchase of the HRS assets, the Company entered into a promissory note with GEII with terms defined in Asset Purchase Agreement (exhibit 10.1) and assume certain liabilities of GEII related to the acquired assets. The cash portion of the purchase price will be paid pursuant to a three-year promissory note. In connection with the Asset Purchase Agreement, the Company entered into various ancillary agreements customary for asset acquisition transactions of this type.

On October 9, 2015, Mr. Meddy Sahebi, Mr. Daniel Elliott, Ms. Erin Falconer, Mr. Juha Rouvinen and Mr. William Maloney were appointed as Directors of the Company, to serve until the next annual meeting of the Shareholders and/or until his successor is duly appointed.

On October 12, 2015, Mr. Juhani Taskinen, resigned as a Director of the Company. On December 23, 2015, Mr. Shervin Talieh, resigned as an Officer and Director of the Company. Neither Mr. Taskinen, nor Mr. Talieh's resignations were the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

On September 16, 2016, Mr. Dan Elliote resigned as a Director of the Company. On June 7, 2016, Mr. Kevin Scott, resigned as a Director of the Company. Neither Mr. Elliote, nor Mr. Scott's resignations were the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Clean Cycle Heat Recovery Solutions; Organic Rankine Cycle Generator Subsidiary

Our CE HRS subsidiary provides clean energy and environmentally sustainable technology solutions to companies through the offering of heat recovery solutions products. The Company's principal product offering currently is the "Clean Cycle ™" generator. The Clean Cycle generator converts heat from a variety of sources into clean, affordable electricity.

Our Clean Cycle ™ ORC engine generates electricity from any heat source, typically through a heat exchanger and a closed loop hot water or steam loop directed to the Clean Cycle. The process by which the Clean Cycle generates electricity - called the Organic Rankine Cycle - requires no fuel, produces no emissions, and is closed loop. Our Clean Cycle Containerized Solution has been meticulously engineered to produce reliable power from a variety of different heat sources. The Major components are delivered as a complete turnkey package and include, the Integrated Power Module ("IPM"), Clean Cycle Generator, the Container and the Condenser. We will deliver the pieces completely assembled and ready to connect to each other and the heat source. All the power and flow adjustments are automatically controlled and remotely monitored. Due to the low amount of moving parts the IPM is a low maintenance solution, that requires no oils, no lubricants, no external rotating seals, and does not require manned operation. The whole package (except condenser) is mounted in a 20ft ISO shipping container. The Condenser comes as a separate piece and attaches to the top of the ISO container. Once the Condenser is attached to the ISO Container all that is left to do is attach the container to the heat source, and it is ready to produce energy.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder's deficit of $2,268,254 and a working capital deficit of $3,307,374 and a net loss of $1,699,726 for the year ended December 31, 2016. The company also had an accumulated deficit of $6,574,864 as of December 31, 2016 and used $513,186 in net cash from operating activities for the year ended December 31, 2016. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach a profitable operating stand and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

Our operating results are affected by a number of factors, including the following:

- changes in the macro-economic environment and related changes in electricity & fuel cost;
- the effects on our business when our customers are not successful in marketing their products and solutions;
- our ability to achieve commercially viable production yields and to manufacture components in commercial quantities to the performance specifications demanded by our customers;

Clean Cycle Turbine Generator - Organic Rankine Cycle

The Organic Rankine Cycle ("ORC") is a thermodynamic process where heat is transferred to a fluid at a constant pressure. The fluid inside the generator is vaporized and then expanded in a vapor turbine that drives a turbine generator, producing electricity. The spent vapor is condensed to liquid and recycled back through the cycle.

Its applications include power generation from solar, geothermal and waste heat sources. As per an article published in Distributed Energy, ORCs are most useful for waste heat recovery among these three applications. Waste heat recovery can be applied to a variety of low to medium temperature heat streams. An example of a successful installation is in Marshall Island for Marshall Electric Company to offset engine fuel use and produce additional electricity. The two cycle generators will generate an estimated 184kW of net electrical power from the heat of exiting engines. The clean cycle units, which require no added fuel and produce no additional emissions, are expected to displace 3.5 million liters of fuel and 10,000 metric tons of CO_2. This will be particularly useful in Island nations where the cost of energy is higher and it can offset the cost of their fuel and reduce emissions.

Plan of Operation

Management is taking the following steps to sustain profitability and growth: (i) increase sales through existing global distribution channels and utilization of direct sales (ii) sell electricity by kWH to Island nations where the cost of energy is higher and it can offset the cost of their fuel and reduce emissions.(iii) leveraging core competencies to acquire technologies and entertain equity opportunities and (iv) license patented technology and proprietary process and develop cogeneration and OEM opportunities.

Our future success is likely dependent on our ability to sustain profitable growth and attain additional capital to support growth. There can be no assurance that we will be successful in obtaining any such financing, or that it will be able to generate sufficient positive cash flow from operations. The successful outcome of these or any future activities cannot be determined at this time and there is no assurance that if achieved, we will have sufficient funds to execute its business plans. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

Business Model

Our business objective is to design and develop Clean Cycle turbine generators that we can manufacture for direct sale to customers, or license our technology to manufacturers and other producers of specialized applications. Our revenue has and will come from:

- Sales thru global distribution channels;
- Direct sales revenue from Clean Cycle turbine generators we manufacture in-house or through contractors;
- Up-front license fees and on-going royalties based on sales by our licensees;
- Sales thru cogeneration or OEM opportunities.

With respect to certain waste heat recovery applications, we also expect to realize revenue through the development, design and installation of power generation systems (inclusive of our Clean Cycle turbine generators as an electricity generator), which could be sold to customers or provided to customers through a Power Purchase Agreement (PPA). Waste heat recovery is the process of using heat generated from another source, such as an industrial furnace, to power our Clean Cycle turbine generators which, in turn, drives an electric motor. We have established a specialized subsidiary company – *HRC LLC*, of which we own 100% of its equity – to pursue these opportunities.

Our Services

Engineering. Our global engineering team supports the installation and maintenance of our Clean Cycle turbine generators, and supports our technology customers and innovative start-ups with a broad range of electrical, mechanical and software engineering services. CETY has assembled a team of experts from around the globe to assist customers at any point in the design cycle. These services include design processes from electrical, software, mechanical and Industrial design. Utilization of CETY's design services will enable rapid market entry for our customers and potential equity partners. It provides flexibility by becoming the extension of their engineering and allowing them to focus on their business strategy.

Supply Chain Management . CETY's supply chain solution provides maximum flexibility and responsiveness through a collaborative and strategic approach with our customers. CETY can assume supply chain responsibility from component sourcing through delivery of finished product. CETY's supply chain focus is on building internal and external systems and relationships, which allow us to capitalize on our expertise to align with our partners and customer's objectives and integrate with their processes.

Sales and Marketing

Our marketing approach is to position CETY as worldwide leader in an ever expanding energy efficiency market, where we will be able to target industries that have waste heat which could potentially turn into new electricity. Also we will leverage our core expertise to identify, acquire and develop leading clean energy and clean technology solutions & products. We will continue to utilize our relationships and expertise to expand in clean and renewable energy sector through new in-house development, M&A, Cogeneration and licensing

We utilize both direct sales force and global distribution with expertise in heat recovery solutions and clean energy markets.

We also target startups and innovators through technology venture capital companies or investment communities. CETY maintains an online presence through our web portal and social media.

Once the relationships are established, application engineers will assist in converting the opportunities into projects. We support our Clean Cycle turbine generator clients through providing maintenance and product support.

Program Managers are responsible for managing the global supply chain, reducing material acquisition time and cost. They're also responsible for the profitability of the programs and ultimately the customer satisfaction index, including on-time delivery, quality, communication and technology.

Clean Cycle Turbine Generators Global Market Overview

The world currently faces fundamental problems with its energy supply, which are due primarily to the reliance on fossil fuels. The economic prosperity of the wealthiest nations in the twentieth century was built on a ready supply of inexpensive fossil fuel and developing nations have continued in the twenty-first century to consume fossil fuel reserves at an ever increasing rate. This has led to worldwide reserve depletions, indicating that both oil and gas are likely to be effectively exhausted before the end of this century. Only coal reserves are expected to last into the next century. Yet even if fossil fuel supplies were unconstrained, their continued use poses its own problems. All fossil fuel combustion produces carbon dioxide, which appears to result in the warming of the earth's atmosphere with profound environmental implications across the globe.

These problems have resulted in the realization that the world must both increase the efficiency of its utilization of fossil fuels and decrease its reliance upon them. Environmental issues related to fossil fuel combustion arose first during the 1980s with the advent of acid rain, a product of the sulfur and nitrogen emissions from fossil fuel combustion. Power plants were forced by legislation and economic measures to control these emissions. However it is the recognition of global warming that presents the most serious challenge because carbon dioxide exists at much higher levels in the flue gases of power plants and major types of industrial manufacturing facilities than sulfur dioxide and nitrogen oxides.

Although renewable energy capacity offers a hedge against major price rises because most renewable technologies exploit a source of energy that is freely available, many renewable technologies today still rely on government subsidies to make them competitive. Governments may also impose penalties upon companies, such as carbon trading schemes, which discourage the use of fossil fuels or increase its costs by imposing stringent emissions limits.

Given the international concerns regarding global warming and pollution and the need to more efficiently utilize fossil fuels, we believe that there exists substantial worldwide demand and a growing market for our Clean Cycle turbine generators that can enable companies to generate greater amounts of energy from the same supply of fossil fuels and that also reduce the amount of harmful emissions that would otherwise be released from the combustion of those fossil fuels. Our technologies, including our

Clean Cycle turbine generators, could benefit companies by both reducing energy costs and mitigating possible emissions penalties.

Growth Strategy

Our growth strategy is to continue leveraging our currency, relationships and core competencies in waste heat recovery systems for increased sales and equity opportunities.

The Company will focus its waste heat recovery technology to industries that create wasted heat as a result of their manufacturing or production processes. This market is well defined and, according to a recent report published by the U.S. Department of Energy, "The United States industrial sector accounts for approximately one third of all energy used in the United States, consuming approximately 32 quadrillion (a million billion) BTUs of energy annually and emitting about 1,680 million metric tons of carbon dioxide associated with this energy use." The opportunity in the waste heat recovery market is substantial. The report continues, "A valuable alternative approach to improving overall energy efficiency is to capture and reuse the lost or 'waste heat' that is intrinsic to all manufacturing processes. During these manufacturing processes, as much as 20% to 50% of the energy consumed is ultimately lost via waste heat contained in streams of hot exhaust gases and liquids, as well as through heat conduction, convection, and radiation from hot equipment surfaces and from heated product streams. In some cases, such as industrial furnaces, waste heat recovery can improve energy efficiency by 10% to as much as 50%."

The advantage of recapturing and utilizing waste heat is that it typically replaces purchased electric power, much of which does and will continue to require burning fossil fuels, or directly replaces fuels which must be purchased and combusted. Thus it actually can directly reduce emissions and eliminate transmission losses. Projections of market potential are truly enormous, with unrecovered waste heat in industrial processes estimated at half a quintillion (a billion billion) BTUs. The Company believes that if it can capture even a small percentage of this market it would have a strong opportunity to reduce exhaust emissions, assist in lowering energy costs of the manufacturers, while growing the Company and its client base.

Competition

The competitors with our Cycle Generators are ORC manufacturers such as Turboden , Ormat and some start-ups with less than 5 installations and some engine competitors aligning with ORC such as Wartsila, Caterpillar and Cummins. We believe that Clean Energy HRS is an industry leader within the small scale ORC applications.

Employees

We presently have approximately 12 employees, including production, program management, materials management, engineering, sales, quality, and administrative and management personnel. We have never experienced work stoppages, and are not a party to any collective bargaining agreement.

Government Regulation

Our operations, and the operations of businesses that we may acquire, are subject to certain foreign, federal, state and local regulatory requirements relating to environmental, waste management, and health and safety matters. We believe we operate in substantial compliance with all applicable requirements. However, material costs and liabilities may arise from these requirements or from new, modified or more stringent requirements. Material cost may rise due to additional manufacturing cost of raw or made parts with the application of new regulations. Our liabilities may also increase due to additional regulations imposed by foreign, federal, state and local regulatory requirements relating to environmental, waste management, and health and safety matters. In addition, our past, current and future operations and those of businesses we acquire, may give rise to claims of exposure by employees or the public or to other claims or liabilities relating to environmental, waste management or health and safety concerns.

Our markets can be positively or negatively impacted by the effects of governmental and regulatory matters. We are affected not only by energy policy, laws, regulations and incentives of governments in the markets into which we sell, but also by rules, regulations and costs imposed by utilities. Utility companies or governmental entities could place barriers on the installation of our product or the interconnection of the product with the electric grid. Further, utility companies may charge additional fees to customers who install on-site power generation, thereby reducing the electricity they take from the utility, or for having the capacity to use power from the grid for back-up or standby purposes. These types of restrictions, fees or charges could hamper the ability to install or effectively use our products or increase the cost to our potential customers for using our systems in the future. This could make our systems less desirable, thereby adversely affecting our revenue and profitability potential. In addition, utility rate reductions can make our products less competitive which would have a material adverse effect on our future operations. These costs, incentives and rules are not always the same as those faced by technologies with which we compete. However, rules, regulations, laws and incentives could also provide an advantage to our Heat Recovery Solutions as compared with competing technologies if we are able to achieve required compliance at a lower cost when our Clean Cycle turbine generators are commercialized. Additionally, reduced emissions and higher fuel efficiency could help our future customers combat the effects of global warming. Accordingly, we may benefit from increased government regulations that impose tighter emission and fuel efficiency standards

WHERE YOU CAN GET ADDITIONAL INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy our reports or other filings made with the SEC at the SEC's Public Reference Room, located at 100 F Street, N.E., Washington, DC 20549. You can obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You can also access these reports and other filings electronically on the SEC's web site, www.sec.gov .

Item 1a. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item. We reserve the right not to provide risk factors in our future filings. Our primary risk factors and other considerations include:

RISKS ABOUT OUR BUSINESS

OUR INDEPENDENT ACCOUNTANTS HAVE ISSUED A GOING CONCERN OPINION AND IF WE CANNOT OBTAIN ADDITIONAL FINANCING AND/OR REDUCE OUR OPERATING COSTS SUFFICIENTLY, WE MAY HAVE TO CURTAIL OPERATIONS AND MAY ULTIMATELY CEASE TO EXIST.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder's deficit of $2,268,254 and a working capital deficit of $3,307,374 and a net loss of $1,699,726 for the year ended December 31, 2016. The company also had an accumulated deficit of $6,574,864 as of December 31, 2016 and used $513,186 in net cash from operating activities for the year ended December 31, 2016. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach a profitable operating stand and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

WE HAVE AN ACCUMULATED DEFICIT AND MAY INCUR ADDITIONAL LOSSES; THEREFORE, WE MAY NOT BE ABLE TO OBTAIN THE ADDITIONAL FINANCING NEEDED FOR WORKING CAPITAL, CAPITAL EXPENDITURES AND TO MEET OUR DEBT SERVICE OBLIGATIONS.

As of December 31, 2016, we had current liabilities of $4,595,393. Our debt could limit our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, or other purposes in the future, as needed; to plan for, or react to, changes in technology and in our business and competition; and to react in the event of an economic downturn.

We may not be able to meet our debt service obligations. If we are unable to generate sufficient cash flow or obtain funds for required payments, or if we fail to comply with covenants in our revolving lines of credit, we will be in default.

IF DEMAND FOR THE PRODUCTS AND SERVICES THAT THE COMPANY OFFERS SLOWS OUR BUSINESS WOULD BE MATERIALLY AFFECTED.

Demand for products which it intends to sell depends on many factors, including:

- the economy, and in periods of rapidly declining economic conditions, customers may defer luxury purchases or may choose alternate products.

- the competitive environment in the heat to power sectors may force us to reduce prices below our desired pricing level or increase promotional spending;

- our ability to maintain efficient, timely and cost-effective production and delivery of the products and services; and,

- All of these factors could result in immediate and longer term declines in the demand for the products and services that we offer, which could adversely affect our sales, cash flows and overall financial condition.

WE FACE INTENSE COMPETITION, WHICH MAY REDUCE OUR SALES, OPERATING PROFITS, OR BOTH .

The Energy Efficiency market is large, competitive and diverse, and is serviced by many companies, whereby we compete with numerous domestic and foreign firms.

WE MAY LOSE OUT TO LARGER AND BETTER-ESTABLISHED COMPETITORS.

The alternative power industry is intensely competitive. Most of our competitors have significantly greater financial, technical, marketing and distribution resources as well as greater experience in the industry than we have. Our products may not be competitive with other technologies, both existing at the current time and in the future. If this happens, our sales and revenues will decline, or fail to develop at all. In addition, our current and potential competitors may establish cooperative relationships with larger companies to gain access to greater development or marketing resources. Competition may result in price reductions, reduced gross margins and loss of market share.

OUR PRODUCTS MAY BE DISPLACED BY NEWER TECHNOLOGY.

The alternative power industry is undergoing rapid and significant technological change. Third parties may succeed in developing or marketing technologies and products that are more effective than those developed or marketed by us, or that would make our technology obsolete or non-competitive. Accordingly, our success will depend, in part, on our ability to respond quickly to technological changes. We may not have the resources to do this.

WE MUST HIRE QUALIFIED ENGINEERING, DEVELOPMENT AND PROFESSIONAL SERVICES PERSONNEL.

We cannot be certain that we can attract or retain a sufficient number of highly qualified mechanical engineers, industrial technology and manufacturing process developers and professional services personnel. To deploy our products quickly and efficiently, and effectively maintain and enhance them, we will require an increasing number of technology developers. We expect customers that license our technology will typically engage our professional engineering staff to assist with support, training, consulting and implementation. We believe that growth in sales depends on our ability to provide our customers with these services and to attract and educate third-party consultants to provide similar services. As a result, we plan to hire professional services personnel to meet these needs. New technical and professional services personnel will require training and education and it will take time for them to reach full productivity. To meet our needs for engineers and professional services personnel, we also may use costlier third-party contractors and consultants to supplement our own staff. Competition for qualified personnel is intense, particularly because our technology is specialized and only a limited number of individuals have acquired the needed skills. Additionally, we will rely on third-party implementation providers for these services. Our business may be harmed if we are unable to establish and maintain relationships with third-party implementation providers.

WE MAY BE ADVERSELY AFFECTED BY SHORTAGES OF REQUIRED COMPONENTS. IN ADDITION, WE DEPEND ON A LIMITED NUMBER OF SUPPLIERS TO PROCURE OUR PARTS FOR PRODUCTION WHICH IF AVAILABILITY OF PRODUCTS BECOMES COMPROMISED IT COULD ADD TO OUR COST OF GOODS SOLD AND AFFECT OUR REVENUE GROWTH.

At various times, there have been shortages of some of the components that we use, as a result of strong demand for those components or problems experienced by suppliers. These unanticipated component shortages have resulted in curtailed production or delays in production, which prevented us from making scheduled shipments to customers in the past and may do so in the future. Our inability to make scheduled shipments could cause us to experience a reduction in our sales and an increase in our costs and could adversely affect our relationship with existing customers as well as prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components.

OUR PRINCIPAL SHAREHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS, IN THE AGGREGATE, BENEFICIALLY OWN MORE THAN 50% OF OUR OUTSTANDING COMMON STOCK AND THESE SHAREHOLDERS, IF ACTING TOGETHER, WILL BE ABLE TO EXERT SUBSTANTIAL INFLUENCE OVER ALL MATTERS REQUIRING APPROVAL OF OUR SHAREHOLDERS .

Our principal shareholders, directors and executive officers in the aggregate, beneficially own more than 50% our outstanding common stock on a fully diluted basis. These shareholders, if acting together, will be able to exert substantial influence over all matters requiring approval of our shareholders, including amendments to our Articles of Incorporation, fundamental corporate transactions such as mergers, acquisitions, the sale of the company, and other matters involving the direction of our business and affairs and specifically the ability to determine the members of our board of directors. (See “Principal Shareholders”).

THE MAJORITY OF OUR SALES COME FROM A SMALL NUMBER OF CUSTOMERS WITH WHOM WE DO NOT HAVE LONG TERM CONTRACTS; IF WE LOSE ANY OF THESE CUSTOMERS, OUR SALES COULD DECLINE SIGNIFICANTLY.

Sales to our five largest customers have represented a significant percentage of our net sales in recent periods. Our five largest customers accounted for approximately 77% of net sales during the twelve months ended December 31, 2016.

Our principal customers have varied from year to year, and our principal customers may not continue to purchase services from us at current levels, if at all. Significant reductions in sales to any of these customers, or the loss of major customers, would seriously harm our business. If we are not able to timely replace expired, canceled or reduced contracts with new business, our revenues could be harmed.

We do not have any long term agreements with our customers, and our principal customers may not continue to purchase services from us. The duration of a purchase order is usually from 30 to 360 days.

IF WE LOSE KEY SENIOR MANAGEMENT PERSONNEL OUR BUSINESS COULD BE NEGATIVELY AFFECTED. FURTHER, WE WILL NEED TO RECRUIT AND RETAIN ADDITIONAL SKILLED MANAGEMENT PERSONNEL AND IF WE ARE NOT ABLE TO DO SO, OUR BUSINESS AND OUR ABILITY TO CONTINUE TO GROW COULD BE HARMED.

Our success depends to a large extent upon the continued services of our executive officers. We could be seriously harmed by the loss of any of our executive officers. In order to manage our growth, we will need to recruit and retain additional skilled management personnel and if we are not able to do so, our business and our ability to continue to grow could be harmed. Although a number of companies in our industry have implemented workforce reductions, there remains substantial competition for highly skilled employees.

WE ARE SUBJECT TO ENVIRONMENTAL COMPLIANCE RISKS AND UNEXPECTED COSTS THAT WE MAY INCUR WITH RESPECT TO ENVIRONMENTAL MATTERS MAY RESULT IN ADDITIONAL LOSS CONTINGENCIES, THE QUANTIFICATION OF WHICH CANNOT BE DETERMINED AT THIS TIME.

We are subject to various federal, state, local and foreign environmental laws and regulations, including those governing the use, storage, discharge and disposal of hazardous substances in the ordinary course of our manufacturing process. If more stringent compliance or cleanup standards under environmental laws or regulations are imposed, or the results of future testing and analyses at our current or former operating facilities indicate that we are responsible for the release of hazardous substances, we may be subject to additional remediation liability. Further, additional environmental matters may arise in the future at sites where no problem is currently known or at sites that we may acquire in the future. Currently unexpected costs that we may incur with respect to environmental matters may result in additional loss contingencies, the quantification of which cannot be determined at this time.

AS AN "EMERGING GROWTH COMPANY" UNDER THE JUMPSTART OUR BUSINESS STARTUPS ACT (THE "JOBS ACT"), THE COMPANY IS PERMITTED TO RELY ON EXEMPTIONS FROM CERTAIN DISCLOSURE REQUIREMENTS.

CETY qualifies as an "emerging growth company" under the JOBS Act. As a result, it is permitted to, and intends to, rely on exemptions from certain disclosure requirements. For so long as the Company is an emerging growth company, it will not be required to:

- have an auditor report on its internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;

- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);

- submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay" and "say-on-frequency;" and

- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company will remain an emerging growth company for up to five full fiscal years, although if the market value of its common stock that is held by non-affiliates exceeds $700 million as of any June 30 before that time, it would cease to be an emerging growth company as of the following December 31, or if its annual revenues exceed $1 billion, it would cease to be an emerging growth company the following fiscal year, or if it issues more than $1 billion in non-convertible debt in a three-year period, the Company would cease to be an emerging growth company immediately.

RISKS ABOUT OUR STOCK

SHARES OF OUR COMMON STOCK ARE SUBJECT TO THE PENNY STOCK RESTRICTIONS WHICH CREATES A LACK OF LIQUIDITY AND MAKE TRADING DIFFICULT OR IMPOSSIBLE .

Our shares of common stock are traded in the over-the-counter markets which are commonly referred to as the OTC Markets. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the price of our securities.

The United States Securities and Exchange Commission, or the SEC, has adopted rules that regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks (generally) are equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on NASDAQ, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. Prior to a transaction in a penny stock, a broker-dealer is required to:

- Deliver a standardized risk disclosure document prepared by the SEC;
- Provide the customer with current bid and offer quotations for the penny stock;
- Explain the compensation of the broker-dealer and its salesperson in the transaction;
- Provide monthly account statements showing the market value of each penny stock held in the customer's account;
- Make a special written determination that the penny stock is a suitable investment for the purchaser; and
- Provide a written agreement to the transaction.

These requirements may have the effect of reducing the level of trading activity in the secondary market for our stock. Because our shares are subject to the penny stock rules, you may find it more difficult to sell your shares.

OUR SECURITIES ARE THINLY TRADED WHICH DOES NOT PROVIDE LIQUIDITY FOR OUR INVESTORS.

Our securities are quoted on the Over-the-Counter Pink Sheet SEC Reporting level. The OTC Markets is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market or national or regional exchanges. Securities traded on the OTC Markets are usually thinly traded, highly volatile, have fewer market makers and are not followed by analysts. The Securities and Exchange Commission's order handling rules, which apply to NASDAQ-listed securities, do not apply to securities quoted on the OTC Markets. Quotes for stocks included on the OTC Markets are not listed in newspapers. Therefore, prices for securities traded solely on the OTC Markets may be difficult to obtain and holders of our securities may be unable to resell their securities at or near their original acquisition price, or at any price.

Investors must contact a broker-dealer to trade over-the-counter bulletin board securities. As a result, you may not be able to buy or sell our securities at the times that you may wish. Furthermore, when investors place market orders to buy or sell a specific number of shares at the current market price it is possible for the price of a stock to go up or down significantly during the lapse of time between placing a market order and its execution.

THE MARKET PRICE AND TRADING VOLUME OF SHARES OF OUR COMMON STOCK MAY BE VOLATILE.

The market price of our common stock could fluctuate significantly for many reasons, including for reasons unrelated to our specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by customers, or competitors regarding their own performance, as well as general economic and industry conditions. In addition, when the market price of a company's shares drops significantly, stockholders could institute securities class action lawsuits against the company. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

IF WE FAIL TO MAINTAIN EFFECTIVE INTERNAL CONTROLS OVER FINANCIAL REPORTING, THE PRICE OF OUR COMMON STOCK MAY BE ADVERSELY AFFECTED.

As a public reporting company, we are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely impact our public disclosures regarding our business, financial condition or results of operations. Any failure of these controls could also prevent us from maintaining accurate accounting records and discovering accounting errors and financial frauds. Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require annual assessment of our internal control over financial reporting, and may require attestation of this assessment by our independent registered public accountants. The standards that must be met for management to assess the internal control over financial reporting as effective are complex, and require significant documentation, testing and possible remediation to meet the detailed standards. We may encounter problems or delays in completing activities necessary to make an assessment of our internal control over financial reporting. In addition, the attestation process by our independent registered public accountants is new and we may encounter problems or delays in completing the implementation of any requested improvements and receiving an attestation of our assessment by our independent registered public accountants.

COMPLIANCE WITH CHANGING REGULATION OF CORPORATE GOVERNANCE AND PUBLIC DISCLOSURE WILL RESULT IN ADDITIONAL EXPENSES.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and related SEC regulations, have significantly increased the costs and risks associated with accessing the public markets and public reporting. Our management team will need to invest significant management time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

WE DO NOT INTEND TO PAY DIVIDENDS IN THE FORESEEABLE FUTURE; THEREFORE, YOU MAY NEVER SEE A RETURN ON YOUR INVESTMENT.

We do not anticipate the payment of cash dividends on our common stock in the foreseeable future. We anticipate that any profits from our operations will be devoted to our future operations. Any decision to pay dividends will depend upon our profitability at the time, cash available and other factors.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

On August 27,2015, we entered into a sublease agreement with Rosenson Properties, LLC, a California limited liability company, as landlord, and General Electric International, Inc., a Delaware corporation, as tenant and assignor, for the premises located at 150 Baker Street East, Costa Mesa, California. GEII had entered into a lease dated as of December 17, 2010, as amended by a First Amendment to Lease dated March 11, 2014, wherein Rosenson Properties leased the premises to GEII. The premises consist of approximately 35,704 square feet of space and the lease provides for monthly triple-net lease payments of $22, 973. The lease term ended on March 31, 2016.

On May 1, 2016, we moved our corporate headquarters to 2990 Redhill Unit A, Costa Mesa, CA. On March 10, 2016, the Company signed a lease agreement for a 18,200-square foot CTU Industrial Building. Lease term is seven years and two months beginning July 1, 2016. Rental is $179,090 for the first twelve months.

Year	Lease Payment
2017	$221,352
2018	$228,000
2019	$234,840
2020	$241,884
2021	$249,132
2022	$256,608
2023	$44,052

On February 21st, 2012 Trident Manufacturing, Inc. entered into a 5 year lease with First Industrial Realty Trust, Inc. with a commencement date of February 21, 2012. The facility is approximately 15,040 square feet and located at 440 West Lawndale Drive, Salt Lake City UT 84115.

Year	Monthly Lease Payments
2017	13,536

Our wholly owned subsidiary Trident Manufacturing, a Utah corporation has entered into a sublease agreement with Lucky Spoon, LLC. The terms the terms of this lease commence as of April 1st, 2015 and shall expire on the last day of the Trident's lease. As a result we are estimating substantial savings and have consolidated the majority of our Utah's manufacturing requirement to our headquarters in Irvine, California.

Our Rent expense for the years ended December 31, 2016 and 2015 was $230,024 and $260,091respectively.

Item 3. Legal Proceedings.

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which our director, officer or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Bid and ask quotations for our common shares are routinely submitted by registered broker dealers who are members of the National Association of Securities Dealers on the NASD Over-the-Counter Electronic Bulletin Board. These quotations reflect inner-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. The high and low bid information for our shares for each quarter for the last two years, so far as information is reported, through the quarter ended December 31, 2016, as reported by the OTC Markets, are as follows:

2016 FISCAL YEAR	High	Low
First Quarter	$0.10	$0.044
Second Quarter	$0.0895	$0.02
Third Quarter	$0.04	$0.008
Fourth Quarter	$0.034	$0.005

2015 FISCAL YEAR	High	Low
First Quarter	$0.104	$0.042
Second Quarter	$0.1234	$0.0723
Third Quarter	$0.12	$0.065
Fourth Quarter	$0.12	$0.08

Record Holders

As of December 31, 2016, there were 155,178,083 shares of the registrant's $0.001 par value common stock issued and outstanding and were owned by approximately 240 holders of record, based on information provided by our transfer agent.

Dividend Policy

We have never declared a cash dividend on our common stock and our Board of Directors does not anticipate that we will pay cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend upon our financial condition, operating results, capital requirements, restrictions contained in our agreements and other factors which our Board of Directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes securities authorized for issuance under equity compensation plans:

	Equity Compensation Plan Information		
Plan Category	Number of shares of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)
	(a)	(b)	(c)
Qualified Equity compensation plans approved by security holders	8,818	$1.70	3,105,062
Non-Qualified Equity compensation plans approved by security holders	60,000	$1.30	-
2016 Stock Compensation Program	2,550,000	$0.03	-
Total	2,618,818	$0.06	3,105,062

Recent Sales of Unregistered Securities

For the years ended December 31, 2016 and 2015 we issued the following securities without registration under the Securities Act of 1933, as amended. These securities were issued on the reliance of an exemption provided by Section 4(2) of the Securities Act.

On February 2, 2015 we issued 40,000 shares of common stock for services at $.08.

On February 24, 2015, we issued 1,845,000 shares of common stock for cash @ $.06 for a total of $116,698, of which $70,699 was received in 2014 and the balance included in “to be issued.”

On March 6, 2015 we issued 450,000 shares of common stock for services to related parties at $.05 per share which was accrued for in 2014.

On March 6, 2015 we issued 50,000 shares of common stock for services at $.05.

On March 6, 2015 we issued 25,000 shares of common stock for services at $.05.

On September 10, 2015, the Company issued 900,000 shares of its common stock for Board of Director fees at $.05.

On September 10, 2015, the Company issued 400,000 shares of its common stock to John Bennett the company’s Chief Financial Officer as compensation at $.05.

On October 1, 2015, the Company issued 150,000 shares of its common stock for consulting services.

On October 2, 2015, the Company issued an aggregate of 100,910,321 shares of common stock to one investor pursuant to the Transaction Completion and Financing Agreement and 4,000,000 to one investor. All such shares were issued to the accredited investors for cash of $500,000.

On March 11, 2016 we issued 400,000 shares of our common stock @ $.07 for financing fees.

On May 5, 2016 we issued 387,866 to a previous employee @ $.08 for $8,644 in notes payable, $11,332 in accrued interest and $11,030 for past due payroll.

On August 15, 2016 we issued 562,500 shares @ $.08 to a consultant for past due amounts owed of $45,000.

On July 1, 2016 we entered into a consulting agreement with Uptick capital for 300,000 a term of 45 days. For these services, we agreed to issue a total of 300,000 shares of our common stock.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2015 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (six persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

On September 15, 2016 we issued 2,380,952 shares @ $.006 for a partial conversion of the convertible note dated March 11, 2016 in the amount of $15,000.

Pursuant to a subscription agreement dated October 31, 2016, Clean Energy Technologies, Inc., a Nevada corporation (the "Company") closed a private placement pursuant to Section 4(a) (2) of the Securities Act to one investor, Cyberfuture One LP, ("Subscriber") of an aggregate of 10,500,000 restricted common shares ("Shares") at a price of US$0.04 per Share, for total gross proceeds of US $420,000. The offering provides that Subscriber obtains piggyback registration rights on the Shares, so long as the Subscriber holds at least 8% of the outstanding Common Stock. Also, the subscription agreement provides that if the Company and the Subscriber enter a joint venture that the Subscriber will be entitled to nominate a person to be elected to and to serve on the Board of Directors of the Company. The restricted common shares were offered by the Company pursuant to an exemption from registration under Regulation S of the Securities Act of 1933, as amended. The private placement was fully subscribed to by one non-U.S. person.

On December 16, 2016 we issued 1,200,000 shares @ .0031 for a partial conversion of a note dated June 6, 2016 in the amount of $3,696.

Subsequently on January 4, 2017 we issued 2,300,000 shares @ .002291 for a partial conversion of a note dated June 6, 2016 in the amount of $5,041.

Subsequently on January 4, 2017 we issued 7,000,000 shares @ .0022 for a partial conversion of a note dated July 6, 2016 in the amount of $15,400.

Subsequently on February 8, 2017 we issued 2,400,000 shares @ .00188 for a partial conversion of a note dated June 6, 2016 in the amount of $4,512.

Subsequently on February 27, 2017 we issued 8,600,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $8,600.

Subsequently on March 3, 2017 we issued 9,000,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,000.

Subsequently on March 8, 2017 we issued 600,000 shares @ .007 for compensation in the amount of $4,200.

Subsequently on March 10, 2017 we issued 9,500,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,500.

On August 7, 2013, we held our initial closing of our Series D Preferred Stock private financing offering with two related parties, whereby we received $750,000 in financing. Our Series D Preferred Stock offering terms allow us to raise up to $1,000,000 US with an over-allotment of $500,000 in multiple closings over the course of 6 months.

The following are primary terms of the Series D Preferred Stock Offering. The Series D Preferred holders will be paid a special monthly dividend at the rate of 17.5% per annum or at the option of the Investor such special may accrue such special dividends. If the Company does not pay the special dividend within five (5) business days from the end of the calendar month for which the payment of such dividend to owed, the Company will pay the investor a penalty of 3.5%. Any unpaid or accrued special dividends will be paid upon a liquidation or redemption. For any other dividends or distributions, participation with common stock is on an as-converted basis. The Series D Preferred holders may elect to convert the Series D Preferred Stock, in his sole discretion, at any time after a one year (1) year holding period, by sending the Company a notice to convert. The conversion rate shall equal to the greater of $0.08 or a 20% discount to the average of the three (3) lowest closing market prices of the common stock during the ten (10) trading day period prior to conversion. The Series D Preferred shall be redeemable from funds legally available for distribution at the option of the individual holders of the Series D Preferred commencing any time after the one (1) year period from the Closing (the “Redemption Period”) at a price equal to the Purchase Price plus all accrued but unpaid dividends. If the Company is not in financial position to pay it back it needs to notify the Investors thirty (30) days prior the Redemption Period commencing and both parties will negotiate, in good faith, for an extension of the Redemption Period. Notwithstanding, the Company may elect to redeem the Series D Preferred shares any time after the Closing at a price equal to Purchase Price plus all accrued but unpaid dividends subject to the Investors right to convert by providing the Investors written notice about its intent to redeem whereby the Investor shall have the right to convert per the terms of the conversion terms at least ten (10) days prior to such redemption by the Company.

On June 25th, 2013 we received $500,000 from a related party for 5,000 shares of Preferred Series D Preferred stock. These shares, which the issuer has agreed to issue (as described below), have not been physically issued as of the date of this filing. On August 21, 2014, the related party agreed to lower the interest rate to 13% and extend the term on these shares for an additional one year. On September 8, 2015 the investors signed an estoppel agreement, whereby the investors agreed to reduce, (effective as of June 30, 2015), the dividend rate on the Series D Preferred Stock to six percent per annum and to terminate the penalty provided for in the IAs in respect of unpaid dividends accruing on or after such date.

In addition, we issued series F warrants to purchase 250,000 shares of our common stock at $.10 and series G warrants to purchase 250,000 shares of our common stock at $.20. Each warrant gives the holder the right to purchase 1 share of common stock.

On September 19th 2013 we received $250,000 from a related party of Preferred Series D Preferred stock. These shares, which the issuer has agreed to issue (as described below), have not been physically issued as of the date of this filing. On September 8, 2015, the investors signed an estoppel agreement, whereby the investors agreed to reduce, (effective as of June 30, 2015), the dividend rate on the Series D Preferred Stock to six percent per annum and to terminate the penalty provided for in the IAs in respect of unpaid dividends accruing on or after such date.

In addition, we issued series F warrants to purchase 125,000 shares of our common stock at $.10 and series G warrants to purchase 125,000 shares of our common stock at $.20. Each warrant gives the holder the right to purchase 1 share of common stock.

Item 6. Selected Financial Data.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item. We reserve the right not to provide the Selected Financial Data in our future filings.

The following selected historical financial information of Clean Energy Technologies, Inc., has been derived from the historical results and are not necessarily indicative of the results to be expected in the future. The following table is qualified by reference to and should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data" and the notes thereto.

Clean Energy Technologies, Inc.
Consolidated Statement of Operations
For the years ended December 31,

	2016	2015
Sales	$ 2,047,333	$ 2,355,021
Cost of Goods Sold	1,283,011	1,686,116
Gross Profit	764,322	668,905
General and Administrative		
General and Administrative expense	527,943	636,294
Salaries	933,125	1,342,158
Moving Expense	78,702	50,132
Professional fees	157,976	47,383
Rent	230,024	260,091
Share Based Expense	113,347	85,450
Total Expenses	2,041,117	2,421,508
Net Profit / (Loss) From Operations	(1,276,795)	(1,752,603)
Loss on disposal of fixed assets	(73,967)	-
Loss on Impairment of Goodwill	-	(420,673)
Loss on Impairment of Inventory	-	(11,508)
Financing Fees	(104,408)	(31,667)
Gain on Warranty Liability	141,611	
Change in derivative libility	2,576	-
Loss on issuance of note	(17,989)	
Beneficial Conversion feature	(52,621)	
Interest Expense	(318,133)	(353,476)
Net Profit / (Loss) Before Income Taxes	(1,699,726)	(2,569,927)
Income Tax Expense	-	-
Net Profit / (Loss)	$ (1,699,726)	$ (2,569,927)

		Clean Energy Technologies, Inc.		
		Condensed consolidated Balance sheet		
		as of December 31,		
	2016		2015	
Working Capital	$	(3,307,374)	$	(2,012,417)
Total Assets		2,777,139		3,248,878
Long term Debt		450,000		800,000
Stockholder Equity	$	(2,268,254)	$	(1,249,843)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read this section together with our consolidated financial statements and related notes thereto included elsewhere in this report.

We intend that our forward-looking statements be subject to the safe harbors created by the Securities and Exchange Act of 1934, as amended. The forward-looking statements are generally accompanied by words such as "intend," "anticipate," "believe," "estimate," "expect" and other similar words and statements and variations or negatives of these words. Our forward-looking statements are based on current expectations, forecasts and assumptions and are subject to risks, uncertainties and changes in condition, significance, value and effect, including those discussed under the heading "Risk Factors" in this report filed with the United States Securities and Exchange Commission or the SEC. Such risks, uncertainties and changes in condition, significance, value and effect could cause our actual results to differ materially from our anticipated outcomes. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. Therefore, we can give no assurance that the results implied by these forward-looking statements will be realized. The inclusion of forward-looking information should not be regarded as a representation by our company or any other person that the future events, plans or expectations contemplated by Probe Manufacturing, Inc. will be achieved. We disclaim any intention or obligation to update or revise any forward-looking statements contained in the documents incorporated by reference herein, whether as a result of new information, future events or otherwise.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder's deficit of $2,268,254 and a working capital deficit of $3,307,374 and a net loss of $1,699,726 for the year ended December 31, 2016. The company also had an accumulated deficit of $6,574,864 as of December 31, 2016 and used $513,186 in net cash from operating activities for the year ended December 31, 2016. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach a profitable operating stand and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

Summary of Results for the Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

For the year ended December 31, 2016, we had a net loss of $1,699,726 compared to a net loss of $2,569,927 for the same period in 2015. The decrease in the net loss in 2016 was mainly due to the sales in the Heat Recovery division at an increased profit margin. In addition, we recognized an impairment of the goodwill from the Trident acquisition in the amount of $420,673 in 2015 as well as a decrease in our general and administrative expenses. For the year ended December 31, 2016, our revenue was $2,047,333 compared to $2,355,021 for the same period in 2015, For the year ended December 31, 2016, our cost of goods sold was 63% compared to 72% for the same period in 2015, mainly due to the decrease material cost as a percent of sales. For the twelve months ended December 31, 2016, our gross margin was 37% compared to 28% for the same period in 2015. For the twelve months ended December 31, 2016, our G&A cost was 99% compared to 103% for the same period in 2015. For the year ended December 31, 2016, we had a net loss from operations of $1,276,795 compared to $1,752,603 for the same period in 2015. Our total stockholder's equity decreased by $1,018,409 resulting in shareholder deficit of $2,268,254 as of December 31, 2016. As of December 31, 2016, we had a working capital deficit of $3,307,374 compared to working capital deficit of $2,012,417 as of December 31, 2015, a decrease of $1,249,843.

	December 31,	
	2015	**2015**
Inventory Turns	1.38	1.91
Days Sales in Backlog	101	349
Days Receivables Outstanding	75	61
Days Payables Outstanding	254	127

Inventory turns: are calculated as the ratio of cost of material compared to the average inventory for the December 31, 2016. For the year ended December 31, 2016, our inventory turns were 1.38compared to 1.91 for the same period in 2015.

Days Sales in Backlog is calculated based on our back log divided by average daily sales during that period. For the year ended December 31, 2016, days sales in backlog was 101 days compared to 349 days for the same period in 2015.

Days receivables outstanding is calculated as the ratio of average accounts receivable during that period compared to average daily sales for the same period. For the year ended December 31, 2016, days receivables outstanding was 75 days compared to 61 days for the same period in 2015.

Days Payable outstanding is calculated as the ratio of average accounts payable during that period compared to average daily sales for the same period. For the year ended December 31, 2016, days payable outstanding was 254 days compared to 127 days for the same period in 2015.

Cash and Cash Equivalents

We maintain the majority of its cash accounts at a commercial bank. The total cash balance is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per commercial bank. For purposes of the statement of cash flows we consider all cash and highly liquid investments with initial maturities of one year or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates may be materially different from actual financial results. Significant estimates include the recoverability of long-lived assets, the collection of accounts receivable and valuation of inventory and reserves.

Accounts Receivable

We grant credit to our customers located within the United States of America; and do not require collateral. Our ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by us. Reserves for un-collectable amounts are provided, based on past experience and a specific analysis of the accounts. Although we expect to collect amounts due, actual collections may differ from the estimated amounts. As of December 31, 2016, we had a reserve for potentially un-collectable accounts of $7,000. Five (5) customers accounted for approximately 96% of accounts receivable at December 31, 2016. Our trade accounts primarily represent unsecured receivables. Historically, our bad debt write-offs related to these trade accounts have been insignificant.

Inventory

Inventories are valued at the lower of weighted average cost or market value. Our industry experiences changes in technology, changes in market value and availability of raw materials, as well as changing customer demand. We make provisions for estimated excess and obsolete inventories based on regular audits and cycle counts of our on-hand inventory levels and forecasted customer demands and at times additional provisions are made. Any inventory write offs are charged to the reserve account. As of December 31, 2016, we had a reserve for potentially obsolete inventory of $250,000.

Property and Equipment

Property and equipment are stated at cost. Assets held under capital leases are recorded at lease inception at the lower of the present value of the minimum lease payments or the fair market value of the related assets. We follow the practice of capitalizing property and equipment purchased over $5,000. The cost of ordinary maintenance and repairs is charged to operations. Depreciation and amortization are computed on the straight-line method over the following estimated useful lives of the related assets:

Furniture and fixtures	3 to 7 years
Equipment	7 to 10 years
Leasehold improvements	2 years (life of the lease)

Long –Lived Assets

Our management assesses the recoverability of its long-lived assets by determining whether the depreciation and amortization of long lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment if any, is measured based on fair value and is charged to operations in the period in which long-lived assets impairment is determined by management. There can be no assurance however, that market conditions will not change or demand for our services will continue, which could result in impairment of long-lived assets in the future.

Revenue Recognition

Revenue from product and services are recognized at the time goods are shipped or services are provided to the customer, with an appropriate provision for returns and allowances. Terms are generally FOB origination with the right of inspection and acceptance. We have not experienced a material amount of rejected or damaged product.

Fair Value of Financial Instruments

The carrying amount of accounts payable and accrued expenses are considered to be representative of their respective fair values because of the short-term nature of these financial instruments.

Other Comprehensive Income

We have no material components of other comprehensive income (loss) and accordingly, net loss is equal to comprehensive loss in all periods.

Net Profit/(Loss) per Common Share

Basic profit / (loss) per share is computed on the basis of the weighted average number of common shares outstanding. At December 31, 2016, we had outstanding common shares of 155,178,083 used in the calculation of basic earnings per share. Basic Weighted average common shares and equivalents at December 31, 2016 and 2015 were 142,572,730 and 59,583,060, respectively. As of December 31, 2016, we had outstanding warrants to purchase 750,000 additional common shares and options to purchase 2,618,818 additional common shares. In addition, we had convertible notes, convertible into 43,376,000 of additional common shares. Fully diluted weighted average common shares and equivalents were withheld from the calculation as they were considered anti-dilutive.

Research and Development

We had curtailed all research and development and were focusing our business on its core business of electronics contract manufacturing.

However, on September 11, 2015 (the "Effective Date"), Clean Energy HRS LLC ("CE HRS"), a wholly owned subsidiary of Probe Manufacturing, Inc. (together with its consolidated subsidiaries, the "Company"), entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with General Electric International, Inc., a Delaware corporation ("GEII"), pursuant to which the Company acquired GEII's Heat Recovery Solutions ("HRS") assets, including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures. The HRS assets will be used by the Company to manufacture and commercialize Organic Rankine Cycle ("ORC")-based heat recovery power systems. The ORC system comprises GEII's proprietary Clean Cycle turbine generator system and integrated power module, together with related components, controls, power electronics, software and equipment. The Company co-locate and integrated the HRS assets with the Company's existing business at the current HRS facility in Costa Mesa, California. We are in the process of analyzing this segment and research and development requirements.

Research and Development Costs incurred in association with the alternative fuels technology development (which include salaries and equipment) were expensed as incurred. We had no expenses in Research and Development Costs during the years ended December 31, 2016 and 2015.

Segment Information

Please see Note 2 in the footnotes to the financial statement for a discussion on our segment information.

Share Based Compensation

For a discussion on share based compensation and recently issued accounting pronouncements relating to share based compensation, see Note 2, Basis of Presentation and Summary of Significant Accounting Policies, to our accompanying audited financial statements.

Income Taxes

For a discussion income taxes and recently issued accounting pronouncements relating to share based compensation, see Note 2, Basis of Presentation and Summary of Significant Accounting Policies, to our accompanying financial statements.

Results for the Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

The following table summarizes certain items in the statements of operations as a percentage of net sales. The financial information and discussion below should be read in conjunction with the accompanying financial statements and notes thereto.

Net Sales

For the year ended December 31, 2016, our revenue was $2,047,333 compared to $2,355,021 for the same period in 2015. Our revenue decreased by $307,688 for the year ended December 31, 2016, compared to the same period in 2015. Our revenue decreased mainly due to a move to a new building and nonoperational for several months, and establishing a new sales strategy for newly acquired HRS assets.

M **ajor Customers**

Our top 5 customers accounted for approximately 77% of our net sales for the year ended December 31, 2016, compared to 71%, for the same period in 2015. We believe that our ability to grow our core business depends on increasing sales to existing customers, and on successfully attracting new customers. Customer contracts can be canceled and volume levels can be changed or delayed based on our customer's performance and the end users' markets they serve which we have no control over. The timely replacement of delayed, canceled or reduced orders with new business cannot be ensured. In addition, we cannot assume that any of our current customers will continue to utilize our services. Consequently, our results of operations may be materially adversely affected.

Gross Profit

For the year ended December 31, 2016, our gross profits increased to 37% from 28% for the same period in 2015. Our gross profits could vary from period to period and is affected by a number of factors, including product mix, production efficiencies, component availability and costs, pricing, competition, customer requirements and unanticipated restructuring or inventory charges and potential scrap of materials.

Selling, General and Administrative (SG&A) Expenses

For the year ended December 31, 2016, our SG&A expense was 26% compared to 27% for the same period in 2015. The decrease was mainly due to the decrease in SG&A expenses included the transition services agreement from General Electric.

Salaries Expense

For the year ended December 31, 2016, our Salaries expense was 46% compared to 57% for the same period in 2015. The decrease was mainly due to the decrease in salaries expenses included the transition services agreement from General Electric.

Facility Lease Expense

For the year ended December 31, 2016, our Facility Lease expense was 11% compared to 11% for the same period in 2015.

Professional fees Expense

For the year ended December 31, 2016, our Professional fees expense was 8% compared to 2% for the same period in 2015. The increase was mainly due to the increase in audit related fees and increases in our legal fees.

Moving expense

For the year ended December 31, 2016, our Facility Lease expense was 4% compared to 2% for the same period in 2015. The increase was mainly due to the restoration of the facility inherited from the General Electric facility lease included in the asset purchase.

Share Based Expense

For the year ended December 31, 2016, our share based expense was 6% compared to 4% for the same period in 2015.

Net (Loss) from operations

For the year ended December 31, 2016, our net loss from operations was (62%) compared to net loss from operations of (74%) for the same period in 2015. This decrease, was primarily due to the overall reduction in the operating expenses.

Loss on impairment of Goodwill

On January 2, 2015 we closed the Trident facility in Utah and as a result for the year ended December 31, 2015 we booked an impairment of the Goodwill in the amount of $420,673.

Loss on impairment of Inventory

On January 2, 2015 we closed the Trident facility in Utah and as for the year ended December 31, 2015 we booked an impairment of the Inventory of $11,508.

Loss on derivative liability

On June 6, 2016, we entered into a one-year convertible note payable for $87,500, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. As a result we recognized a net gain on derivative liability in the amount of $2,576.

On March 11, 2016, we entered into a three-year convertible note payable in the initial face amount of $75,000, which accrues interest at the rate of 1.46% per annum. It was not convertible until six months after its issuance and has a conversion rate of sixty five percent (65%) of the lowest closing bid price (as reported by Bloomberg LP) of common stock for the twenty (20) Trading Days immediately preceding the date of the date of conversion. On September 15, 2016 we issued shares at a price of $.006 per share for a partial conversion of this note in the amount of $15,000. Subsequently, on November 1, 2016 the Company exercised its right to redeem the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $84,000. As a result we recognized a loss on beneficial conversion feature of $52,621.

Financing Fees

For the year ended December 31, 2016 our financing fees expense was $104,408 compared to $31,667 for the same period in 2015, due to the issuance of convertible notes.

Gain on Warranty Liability

For the year ended December 31, 2016 we recognized a gain on our warranty liability in the amount of $141,611

Interest Expense

For the year ended December 31, 2016 interest expense was $318,113 compared to $353,476 for the same period in 2015.

Net Income / Loss

For the year ended December 31, 2016, our net loss was (83%) compared to net loss of (109)% for the same period in 2015. This decrease, was primarily due to the overall reduction in the operating expenses, in addition, we recognized $420, 673 in goodwill impairment, as a result of the closure of the Trident facility in 2015.

Liquidity and Capital Resources

Clean Energy Technologies, Inc.

Condensed Consolidated Statements of Cash Flows

For the years ended December 31,

		2016		2015
Net Cash provided / (Used) In Operating Activities	$	(513,186)	$	(617,553)
Cash Flows Used In Investing Activities		(75,436)		-
Cash Flows Provided / (used) By Financing Activities		590,868		594,508
Net (Decrease) Increase in Cash and Cash Equivalents	$	2,246	$	(23,045)

Capital Requirements for long-term Obligations

		2017		2018
Note payable General Electric	$	945,654	$	254,346

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Future Financing

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund planned acquisitions and exploration activities.

Off-balance Sheet Arrangement

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Contractual Obligations

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

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Item 7a. Quantitative and Qualitative Disclosures about Market Risk.

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

Item 8. Financial Statements and Supplemental Data.

CLEAN ENERGY TECHNOLOGIES, INC.
(f/k/a PROBE MANUFACTURING, INC.)
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016
FINANCIAL STATEMENT TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Clean Energy Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Clean Energy Technologies, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of operations, stockholders' equity, and cash flows for the two years ended December 31, 2016. Clean Energy Technologies, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean Energy Technologies, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the two years ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has a history of operating losses, has limited cash resources, and its viability is dependent upon its ability to meet future financing requirements. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Fruci & Associates II, PLLC

Fruci & Associates II, PLLC
Spokane, WA
April 17, 2017

Clean Energy Technologies, Inc.
Consolidated Balance Sheet
as of December 31,

	2016	2015
Assets		
Current Assets:		
Cash	$ 6,442	$ 4,196
Accounts receivable - net	367,623	474,699
Inventory	913,954	1,207,409
Total Current Assets	1,288,019	1,686,304
Property and Equipment - Net	187,682	215,755
Goodwill	747,976	747,976
License	354,322	354,322
Patents	174,911	186,813
Other Assets	24,229	57,708
Total Assets	$ 2,777,139	$ 3,248,878
Liabilities and Stockholders' (Deficit)		
Current Liabilities:		
Bank Overdraft	$ 15,407	$ -
Accounts payable - trade	881,607	609,407
Accrued Expenses	1,666,816	1,412,742
Accrued Expenses Related party	107,167	143,038
Warranty Liability	100,000	241,612
Derivative Liability	102,913	-
Notes Payable - Current (net of discount)	1,716,483	1,291,922
Notes Payable - Current - Related Party	5,000	-
Total Current Liabilities	4,595,393	3,698,721
Long-Term Debt:		
Notes Payable	450,000	800,000
Net Long-Term Debt	450,000	800,000
Total Liabilities	5,045,393	4.498,721
Commitments and contingencies	$ -	$ -
Stockholders' (Deficit)		
Preferred D stock, stated value $100 per share; 20,000 shares authorized; 5000 shares and 0 shares issued and outstanding respectively	750,000	750,000
Common stock, $.001 par value; 400,000,000 shares authorized; 155,178,083 and 139,446,765 shares issued and outstanding respectively	155,180	139,448
Additional paid-in capital	3,401,430	2,736,480
Treasury Stock	-	(633)
Accumulated deficit	(6,574,864)	(4,875,138)
Total Stockholders' (Deficit)	(2,268,254)	(1,249,843)
Total Liabilities and Stockholders' Deficit	$ 2,777,139	$ 3,248,878

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.
Consolidated Statement of Operations
For the years ended December 31,

	2016	2015
Sales	$ 2,047,333	$ 2,355,021
Cost of Goods Sold	1,283,011	1,686,116
Gross Profit	764,322	668,905
General and Administrative		
General and Administrative expense	527,943	636,294
Salaries	933,125	1,342,158
Moving Expense	78,702	50,132
Professional fees	157,976	47,383
Rent	230,024	260,091
Share Based Expense	113,347	85,450
Total Expenses	2,041,117	2,421,508
Net Profit / (Loss) From Operations	(1,276,795)	(1,752,603)
Loss on disposal of fixed assets	(73,967)	-
Loss on Impairment of Goodwill	-	(420,673)
Loss on Impairment of Inventory	-	(11,508)
Financing Fees	(104,408)	(31,667)
Gain on Warranty Liability	141,611	
Change in derivative liability	2,576	-
Loss on issuance of note	(17,989)	
Beneficial Conversion feature	(52,621)	
Interest Expense	(318,133)	(353,476)
Net Profit / (Loss) Before Income Taxes	(1,699,726)	(2,569,927)
Income Tax Expense	-	-
Net Profit / (Loss)	$ (1,699,726)	$ (2,569,927)
Per Share Information:		
Basic and diluted weighted average number of common shares outstanding	142,572,730	59,583,060
Net Profit / (Loss) per common share basic and diluted	(0.01)	(0.04)

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.

Consolidated Statement of Stockholders Equity

December 31, 2016

	Common Stock .001 Par		Preferred Stock		Treasury Stock		Common Stock to be issued			
Description	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Amount**	**Additional Paid in Capital**	**Accumulated Deficit**	**Stock holders' Deficit Totals**
12/31/2014	30,676,445	30,679	7,500	750,000	11,500	(633)	93,199	1,372,624	(2,305,202)	(59,332)
Stock issued for cash	5,845,000	5,845					(70,699)	310,853		245,999
Shares Issued for Consulting	215,000	215						16,235		16,450
Shares Issued for Compensation	400,000	400						19,600		20,000
Shares Issued For BOD Fees	1,400,000	1,400					(22,500)	70,100		49,000
Rounding	(1)									-
Shares issued to ETI Pursuant to the TCF Agreement	100,910,321	100,910						199,090		300,000
Goodwill from ETI transaction								747,976		747,976
Net Loss									(2,569,936)	(2,569,936)
12/31/2015	139,446,765	$ 139,449	$ 7,500	$ 750,000	$ 11,500	$ (633)	$ -	$ 2,736,477	$ (4,875,138)	$ (1,249,843)
										-
Shares Issued for Financing fees	400,000	400						27,600		28,000
Shares Issued for Note conversion	387,866	388						30,641		31,029
Shares Issued for Note conversion	2,380,952	2,381						12,619		15,000
Shares issued for Services	300,000	300						8,700		9,000
Share based Expense for options issued								76,347		76,347
Shares issued for conversion of accrued expenses	562,500	563						44,438		45,000

Shares Issued for Note conversion	1,200,000	1,200						3,120		4,320
Shares issued for cash	10,500,000	10,500						409,500		420,000
Beneficial Conversion Feature								52,621		52,621
Shares no longer valid					(11,500)	633		(633)		-
Net Loss									(1,699,726)	(1,699,726)
December 31, 2016	155,178,083	$ 155,180	7,500	$ 750,000	-	$ -	$ -	$ 3,401,430	$ (6,574,864)	$ (2,268,254)

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.

Consolidated Statements of Cash Flows

For the years ended December 31,

		2016		2015
Cash Flows from Operating Activities:				
Net Income / (Loss)	$	(1,699,726)	$	(2,569,936)
Adjustments to reconcile net loss to net cash				
used in operating activities:				
Depreciation and amortization		41,444		42,122
Share based compensation		113,347		-
Loss on disposal of fixed assets		73,967		
Change in Derivative Liability		29,997		-
Gain on Warranty Liability		(141,612)		-
Beneficial Conversion Feature		52,621		-
Penalty on Convertible note		-		-
Goodwill impairment		-		420,673
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable		107,076		49,425
(Increase) decrease in inventory		293,455		198,002
(Increase) decrease in other assets		33,479		(22,652)
(Decrease) increase in accounts payable		272,197		42,874
Other (Decrease) increase in accrued expenses		346,439		1,079,393
Other (Decrease) increase in accrued expenses - Related Party		(35,870)		57,096
Net Cash Used In Operating Activities		(513,186)		(703,003)
Cash Flows from Investing Activities				
Purchase property plant and equipment		(75,436)		-
Purchase of patents and Licenses		-		-
Cash Flows Used In Investing Activities		(75,436)		-
Cash Flows from Financing Activities				
Bank Overdraft / (Repayment)		15,407		(48,744)
Proceeds from convertible notes		391,250		
(Decrease) increase in advances line of credit		(97,258)		392,828
Penalty on convertible note		24,000		
Increase in GE				
Change in derivative liability		-		
Proceeds from sale of common stock		420,000		246,000
Proceeds from Sale of common stock to ETI Pursuant to the TCF Agreement		-		300,000
Proceeds from notes payable - Related Party		5,000		32,000
Payments on notes payable				
Payments on notes payable		(167,531)		(327,576)
Cash Flows Provided By Financing Activities		590,868		594,508
Net (Decrease) Increase in Cash and Cash Equivalents		2,246		(108,495)
Cash and Cash Equivalents at Beginning of Period		4,196		27,241
Cash and Cash Equivalents at End of Period	$	6,442	$	(81,254)

Supplemental Cashflow Information:		
Interest Paid	273,715	327,582
Taxes Paid	-	-
Supplemental Non-Cash Disclosure		
Inventory Acquired	-	848,029
Lease assets aquired	-	217,584
Property plant and Equipment Acquired	-	130,887
Intangible Assets Acquired	-	545,112
Warranty Liability Assumed	-	(241,611)
Note Payable for Assets Purchased	-	(1,400,000)
Assumed Severance Liability	-	(100,000)

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.
(f/k/a Probe Manufacturing, Inc.)
Notes to Consolidated Financial Statements

Notes 1- GENERAL

Business Overview

We design, build, and market clean energy products focused on energy efficiency and environmentally sustainable technologies and we perform electronics manufacturing services for third parties. Our principal products are based upon the Clean Cycle™ heat recovery system, offered by our wholly owned subsidiary Clean Energy HRS LLC. Our Clean Cycle™ captures waste heat from a variety of sources and turns it into electricity that users can use, store, or export, such as to an external or utility power grid. The proven, cutting-edge Clean Cycle™ technology allows commercial and industrial heat generators or sources to boost their overall energy efficiency with no additional fuel, no pollutants, and virtually no maintenance. The engineering and manufacturing resources from our electronics manufacturing services business support our heat recovery solutions business. We intend also to leverage these capabilities to identify and exploit other clean energy technologies and opportunities.

The Clean Cycle™ heat recovery solution is an Organic Rankine Cycle, or ORC, system. An ORC system is a closed-loop heat recovery steam generator system, sometimes referred to as an HRS or an HRSG, that utilizes heat from a heat source, such as an existing power generation system, to heat a fluid to produce steam. The steam then passes through a turbine generator, and turbine generator converts the kinetic energy in the steam to produce electrical energy, which can be used, stored, or exported. The ORC cycle then recycles and further cools the fluid medium to again use heat from the external heat source to continue the power-generation cycle.

The technology at the heart of the Clean Cycle™ is a magnetic levitation bearing generator, which requires no oil or other lubricants and has no gear box. The turbine generator and related power management electronics are what convert the kinetic energy in the steam cycle into electrical energy. There are over 100 Clean Cycle™ HRS units installed globally with more than one million fleet operating hours in diesel, gas, and biomass applications.

The magnetic levitation bearing generator technology was originally developed by Calnetix, Inc. General Electric International, Inc. acquired the rights to the technology in certain applications from Calnetix in 2010. In September 2015, our CE HRS subsidiary acquired General Electric's rights to the technology in those applications, together with General Electric's related HRS technology and improvements, pursuant to an Asset Purchase Agreement with General Electric International, Inc. and General Electric Company that was filed as Exhibit 10.1 to the Company's Current Report on Form 8K dated September 11, 2015 and a concurrent Transaction Completion and Financing Agreement with ETI Partners IV, LLC. CE HRS made an initial purchase price payment of $300,000 at closing and issued a three-year $1.2 million promissory note to GEII with respect to payment of the balance of the cash portion of the purchase price. CE HRS also assumed certain liabilities of GEII related to the acquired assets. In connection with the Asset Purchase Agreement, the Company also entered into various ancillary agreements customary for asset acquisition transactions of this type. Pursuant to the companion Transaction Completion and Financing Agreement facilitating our acquisition of the GE HRS assets, we issued 100,910,321 restricted shares of our common stock to ETI Partners IV, LLC (representing approximately 70% of the post-acquisition outstanding common stock). Concurrently, we entered into a Loan, Guarantee, and Collateral Agreement and a Registration Rights Agreement with ETI Partners IV, LLC to provide a framework for further financing in the Company.

Pursuant to our license agreement with Calnetix (which General Electric assigned to us in connection with the Asset Purchase Agreement), we market and sell our Clean Cycle™ products world-wide to ORC-based application where heat is sourced from reciprocating combustion engines, of any type (other than those employed on transiting marine vessels), gas or steam turbine systems used for power generation, and biomass boiler systems. Our rights in these applications are exclusive. We also market our Clean Cycle™ products world-wide on a non-exclusive basis in the following applications, whether or not ORC-based: reciprocating combustion engines, of any type (except those employed on transiting marine vessels or in the automotive application for cars, trucks, and other motor vehicles); gas or steam turbine systems with an ISO rated power output above one megawatt (1 MW); and applications that use biomass as a source of heat. We have also periodically negotiated to obtain additional non-exclusive marketing rights to the technology from Calnetix as commercial opportunities have arisen that are not in conflict with other licensees of Calnetix.

Our growth strategy is to scale up our business by focusing on the significant installed base of power generation and biomass boiler systems ideally suited to ORC-based heat recovery systems, exploiting market segments and regions where there are significantly high electricity prices, and identifying and exploiting incentive markets as they are available. We sell equipment and complete heat recovery systems globally directly to end customers and also through distributors. We also commercialize our heat recovery systems through lease and energy-based programs where appropriate. We are also developing technology co-ventures with owners of compatible power generation technology to develop integrated energy production systems to exploit additional potential customers.

The GE HRS asset acquisition and related financing transactions resulted in a change of control of the Company according to FASB No. 2014-17 Business Combinations (Topic 805). As a result, the transactions qualify as a business combination. In accordance with Topic 805, the Company elected to apply pushdown accounting, using the valuation date of December 31, 2015. As a result we recognized $747,976 in goodwill.

ETI Recognized	
Assets Acquired	2,949,592
Liabilities Acquired	3,589,558
Cash paid	300,000
Non-controlling interest	191,990
Goodwill recognized	747,976

CETY - Push down accounting election	
Cash Received	300,000
Goodwill recognized	747,976
Equity	1,047,976

Following completion of the acquisition and integration of the GE HRS into our business, on November 13, 2015 we changed our name to “Clean Energy Technologies, Inc.” to better reflect the focus of our new business and business strategies.

Previously, in March 2013, we acquired 100% of the issued and outstanding common stock of Trident Manufacturing, Inc., a Utah corporation engaged in electronics manufacturing services focused on industrial, aerospace, military, instrumentation, and medical markets, in exchange for 1,600,000 restricted shares of our common stock. As of the Trident acquisition, we recognized $420,673 in goodwill. For the year ended December 31, 2015, we impaired the goodwill in the amount of $420,673.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder's deficit of $2,268,254 and a working capital deficit of $3,307,374 and a net loss of $1,699,726 for the year ended December 31, 2016. The company also had an accumulated deficit of $6,574,864 as of December 31, 2016 and used $513,186 in net cash from operating activities for the year ended December 31, 2016. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach a profitable operating stand and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

Plan of Operation

Management is taking the following steps to sustain profitability and growth: (i) pursuing increased sales through existing global distribution channels and utilization of direct sales; (ii) pursuing lease and energy-based contracts with customers, including targeted island or isolated locations where the economics, energy production, and emissions reduction profiles are attractive; (iii) pursuing stable and higher-margin electronics manufacturing services contracts where the terms are favorable to the Company; (iv) arranging financing partnerships and relationships to facilitate increased lease and energy-based commercialization of our HRS products; (v) leveraging core competencies to acquire or integrate other technologies and entertain equity opportunities; and (vi) pursuing licenses of our patented technology and proprietary processes and developing cogeneration and OEM opportunities.

Our future success is likely dependent on our ability to sustain profitable growth and attain additional capital to support growth. There can be no assurance that we will be successful in obtaining any such financing, or that it will be able to generate sufficient positive cash flow from operations. The successful outcome of these or any future activities cannot be determined at this time and there is no assurance that if achieved, we will have sufficient funds to execute its business plans. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

Our Products and Services

Our main product, the Clean Cycle™ HRS system, converts heat from variety of heat sources into clean, affordable electricity. Our heat recovery solution system generates electricity from heat with zero additional fuel required, zero additional emissions produced, and low maintenance. The Clean Cycle™ HRS system is also re-deployable with continuous 24x7 operation.

Sales and Marketing

Our marketing approach is to position the Company, our products and our services under our new "Clean Energy Technologies, Inc." and "CETY" identity and brand. We intend to market our Heat Recovery Solutions products specifically using the market-recognized Clean Cycle™ brand name. We also intend to utilize our relationships to identify new market segments and regions in which we can expand the commercialization of our products. We intend to offer our products for sale and also to commercialize them under leases, energy-based contracts and other financing structures to accelerate customer adoption and increase market penetration. We also intend to explore licensing opportunities for our patented and other proprietary technologies. We utilize both direct sales force and global distributors with expertise in clean energy.

Corporate Information

We were originally incorporated in California in July 1995 under the name Probe Manufacturing Industries, Inc. We reincorporated in Nevada in April 2005 under the name Probe Manufacturing, Inc. In November 2015, following our acquisition of heat recovery solutions assets from General Electric, we changed our name to Clean Energy Technologies, Inc. Our principal executive offices are located at 2990 Redhill Avenue, Costa Mesa, CA 92626. Our telephone number is (949) 273-4990. Our common stock is listed on the OTC Market Group's Pink Open Market under the symbol "CETY."

Our internet website address is www.cetyinc.com . The information contained on our website is not incorporated by reference into this document, and you should not consider any information contained on, or that can be accessed through, our website as part of this document.

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The summary of significant accounting policies of Clean Energy Technologies, Inc. (formerly Probe Manufacturing, Inc.) is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

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 the reported amounts of revenue and expenses during the reporting period. Such estimates may be materially different from actual financial results. Significant estimates include the recoverability of long-lived assets, the collection of accounts receivable and valuation of inventory and reserves.

Cash and Cash Equivalents

We maintain the majority of our cash accounts at a commercial bank. The total cash balance is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per commercial bank. For purposes of the statement of cash flows we consider all cash and highly liquid investments with initial maturities of one year or less to be cash equivalents.

Accounts Receivable

We grant credit to our customers located within the United States of America; and do not require collateral. Our ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by us. Reserves for un-collectable amounts are provided, based on past experience and a specific analysis of the accounts. Although we expect to collect amounts due, actual collections may differ from the estimated amounts. As of December 31, 2015 and December 31, 2016, we had a reserve for potentially un-collectable accounts of $7,000. Five (5) customers accounted for approximately 96% of accounts receivable at December 31, 2016. Our trade accounts primarily represent unsecured receivables. Historically, our bad debt write-offs related to these trade accounts have been insignificant.

Inventory

Inventories are valued at the lower of weighted average cost or market value. Our industry experiences changes in technology, changes in market value and availability of raw materials, as well as changing customer demand. We make provisions for estimated excess and obsolete inventories based on regular audits and cycle counts of our on-hand inventory levels and forecasted customer demands and at times additional provisions are made. Any inventory write offs are charged to the reserve account. As of December 31, 2016 and December 31, 2015, we had a reserve for potentially obsolete inventory of $250,000.

Property and Equipment

Property and equipment are recorded at cost. Assets held under capital leases are recorded at lease inception at the lower of the present value of the minimum lease payments or the fair market value of the related assets. The cost of ordinary maintenance and repairs is charged to operations. Depreciation and amortization are computed on the straight-line method over the following estimated useful lives of the related assets:

Furniture and fixtures	3 to 7 years
Equipment	7 to 10 years

Long –Lived Assets

Our management assesses the recoverability of its long-lived assets by determining whether the depreciation and amortization of long lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment if any, is measured based on fair value and is charged to operations in the period in which long-lived assets impairment is determined by management. There can be no assurance however, that market conditions will not change or demand for our services will continue, which could result in impairment of long-lived assets in the future.

Revenue Recognition

Revenue from product and services are recognized at the time goods are shipped or services are provided to the customer, with an appropriate provision for returns and allowances. Terms are generally FOB origination with the right of inspection and acceptance. We have not experienced a material amount of rejected or damaged product.

The Company provides services for its customers that range from contract design to original product design to repair services. The Company recognizes service revenue when the services have been performed, and the related costs are expensed as incurred.

Fair Value of Financial Instruments

The carrying amount of accounts payable and accrued expenses are considered to be representative of their respective fair values because of the short-term nature of these financial instruments.

Other Comprehensive Income

We have no material components of other comprehensive income (loss) and accordingly, net loss is equal to comprehensive loss in all periods.

Net Profit (Loss) per Common Share

Basic profit / (loss) per share is computed on the basis of the weighted average number of common shares outstanding. At December 31, 2016, we had outstanding common shares of 155,178,083 used in the calculation of basic earnings per share. Basic Weighted average common shares and equivalents at December 31, 2016 and 2015 were 142,572,730 and 59,583,060, respectively. As of December 31, 2016, we had outstanding warrants to purchase 750,000 additional common shares and options to purchase 2,618,818 additional common shares. In addition, we had convertible notes, convertible into 43,376,000 of additional common shares. Fully diluted weighted average common shares and equivalents were withheld from the calculation as they were considered anti-dilutive.

Research and Development

Research and development costs incurred in association with the alternative fuels technology development (which include salaries and equipment) were expensed as incurred. We had no amounts of research and development R&D during the year ended December 31, 2016 and 2015.

Segment Disclosure

FASB Codification Topic 280, *Segment Reporting* , establishes standards for reporting financial and descriptive information about an enterprise’s reportable segments. The Company has two reportable segments: Clean Energy HRS (HRS) and the legacy electronic manufacturing services division. The segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 1 for a description of the various product categories manufactured under each of these segments. Prior to March 31, 2016 we only had one reporting segment.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, other charges (income), net and interest and other, net.

Selected Financial Data :

	Year ended December 31, 2016	
Net Sales		
Electronics Assembly	1,222,856	
Clean Energy HRS	824,477	
Total Sales	2,047,333	
Segment income and reconciliation before tax		
Electronics Assembly	145,858	
Clean Energy HRS	618,464	
Total Segment income	764,322	
Reconciling items		
General and Administrative	(1,927,770)	
Share Based Expense	(113,347)	
Loss on disposal of fixed assets	(73,967)	
Gain on Derivative liability	2,576	
Loss on issuance of note	(17,989)	
Financing Fees		(104,408)
Gain on Warranty liability		141,611
Beneficial Conversion Feature	(52,621)	

Interest expense	(318,133)
Net Loss before income tax	(1,699,726)

	December 31, 2016
Total Assets	
Electronics Assembly	1,219,848
Clean Energy HRS	1,557,291
	2,777,139

Share-Based Compensation

The Company has adopted the use of Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" (SFAS No. 123R) (now contained in FASB Codification Topic 718, *Compensation-Stock Compensation*), which supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance and eliminates the alternative to use Opinion 25's intrinsic value method of accounting that was provided in Statement 123 as originally issued. This Statement requires an entity to measure the cost of employee services received in exchange for an award of an equity instruments, which includes grants of stock options and stock warrants, based on the fair value of the award, measured at the grant date (with limited exceptions). Under this standard, the fair value of each award is estimated on the grant date, using an option-pricing model that meets certain requirements. We use the Black-Scholes option-pricing model to estimate the fair value of our equity awards, including stock options and warrants. The Black-Scholes model meets the requirements of SFAS No. 123R; however, the fair values generated may not reflect their actual fair values, as it does not consider certain factors, such as vesting requirements, employee attrition and transferability limitations. The Black-Scholes model valuation is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We estimate the expected volatility and estimated life of our stock options at grant date based on historical volatility; however, due to the thinly traded nature of our stock, we have chosen to use an average of the annual volatility of like companies in our industry. For the "risk-free interest rate," we use the Constant Maturity Treasury rate on 90-day government securities. The term is equal to the time until the option expires. The dividend yield is not applicable, as the Company has not paid any dividends, nor do we anticipate paying them in the foreseeable future. The fair value of our restricted stock is based on the market value of our free trading common stock, on the grant date calculated using a 20-trading-day average. At the time of grant, the share-based compensation expense is recognized in our financial statements based on awards that are ultimately expected to vest using historical employee attrition rates and the expense is reduced accordingly. It is also adjusted to account for the restricted and thinly traded nature of the shares. The expense is reviewed and adjusted in subsequent periods if actual attrition differs from those estimates.

We re-evaluate the assumptions used to value our share-based awards on a quarterly basis and, if changes warrant different assumptions, the share-based compensation expense could vary significantly from the amount expensed in the past. We may be required to adjust any remaining share-based compensation expense, based on any additions, cancellations or adjustments to the share-based awards. The expense is recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. For the year ended December 31, 2016 and 2015 we had $113,347 and $85,450 respectively, in share based expense, due to the issuance of common stock. As of December 31, 2016 we had no further non-vested expense to be recognized.

Income Taxes

The Company accounts for income taxes under SFAS No. 109 (now contained in FASB Codification Topic 740-10-25, Accounting for Uncertainty in Income Taxes), which requires the asset and liability approach to accounting for income taxes. Under this method, deferred tax assets and liabilities are measured based on differences between financial reporting and tax bases of assets and liabilities measured using enacted tax rates and laws that are expected to be in effect when differences are expected to reverse. As of December 31, 2016, we had a net operating loss carry-forward of approximately $(2,0489,37) and a deferred tax asset of $696,639 using the statutory rate of 34%. The deferred tax asset may be recognized in future periods, not to exceed 20 years. However, due to the uncertainty of future events we have booked valuation allowance of $(696,639). FASB ASC 740 prescribes recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At December 31, 2016 the Company had not taken any tax positions that would require disclosure under FASB ASC 740.

	December 31, 2016	December 31, 2015
Deferred Tax Asset	$ 696,639	$ 118,732
Valuation Allowance	(696.639)	(118,732)
Deferred Tax Asset (Net)	$ -	$ -

On September 15, 2015, the Company entered into a Transaction Completion and Financing Agreement with ETI Partners IV LLC, and Company agreed to issue to ETI 100,910,321 shares of restricted common stock, representing 70% of the fully diluted common stock of the Company. This resulted in a change in control, which limited the net operating to that date forward.

We are subject to taxation in the U.S. and the states of California and Utah. Further, the Company currently has no open tax years' subject to audit prior to December 31, 2013. The Company is current on its federal and state tax returns.

Reclassification

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

Business Combination and Goodwill

On March 20, 2013, we completed the acquisition of Trident whereby we acquired 100% of the issued and outstanding common stock shares of Trident in exchange for 1,600,000 shares of our restricted shares of common stock. As a result of the acquisition, Trident has become a wholly-owned subsidiary of the Company. As a result, we recognized $420,673 in goodwill. On January 2, 2016 we closed the Trident facility in Utah and as for the year ended December 31, 2015 we booked an impairment of the goodwill in the amount of $420,673.

Recently Issued Accounting Standards

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

- Update 2017-08 —Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities
- Update 2017-05 —Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets
- Update 2017-04 —Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment
- Update 2017-03 —Accounting Changes and Error Corrections (Topic 250) and Investments—Equity Method and Joint Ventures (Topic 323): Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings (SEC Update)
- Update 2017-01 —Business Combinations (Topic 805): Clarifying the Definition of a Business
- Update 2016-20 —Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers
- Update 2016-18 —Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)
- Update 2016-17 —Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control
- Update 2016-16 —Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory
- Update 2016-15 —Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)
- Update 2016-13 —Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

- Update 2016-12 —Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients
- Update 2016-10 —Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing
- Update 2016-09—Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting
- Update 2016-08—Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)
- Update 2016-07 —Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting
- Update 2016-03—Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance (a consensus of the Private Company Council)
- Update 2015-16—Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments
- Update 2015-15—Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements—Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting (SEC Update)
- Update 2015-11—Inventory (Topic 330): Simplifying the Measurement of Inventory
- Update 2015-08—Business Combinations (Topic 805): Pushdown Accounting—Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115 (SEC Update)
- Update No. 2015-03—Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs
- Update No. 2015-02—Consolidation (Topic 810): Amendments to the Consolidation Analysis.

NOTE 3 – ACCOUNTS AND NOTES RECEIVABLE

	December 31, 2016		December 31, 2015	
Accounts Receivable	$	374,623	$	481,699
Less Reserve for uncollectable accounts		(7,000)		(7,000)
Accounts Receivable (Net)	$	367,623	$	474,699

NOTE 4 – ASSET ACQUISITION

On September 11, 2015, we issued a promissory note in the initial principal amount of $1,400,000 and assumed a pension liability of $100,000, for a total liability of $1,500,000, in connection with the Company's acquisition from General Electric International, Inc., a Delaware corporation ("GEII") of certain GEII's heat recovery solutions, or HRS, assets, including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures.

Acquired Assets		
Inventory	$	848,029
Leased asset		217,584
Property and Equipment		130,887
Intellectual Property		545,112
Assumed warranty Liability		(241,612)

Net Assets Acquired	$	1,500,000

NOTE 5 – INVENTORY

Inventories by major classification were comprised of the following at:

	December 31, 2016	December 31, 2015
Raw Material	$ 1,136,850	$ 1,311,069
Work in Process	27,104	143,119
Finished Goods	-	3,221
Total	1,163,954	1,457,409
Less reserve for excess or obsolete inventory	(250,000)	(250,000)
Total Inventory	$ 913,954	$ 1,207,409

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following at:

	December 31, 2016	December 31, 2015
Capital Equipment	$ 1,772,632	$ 1,842,329
Leasehold improvements	75,436	-
Accumulated Depreciation	(1,660,386)	(1,626,574)
Net Fixed Assets	$ 187,682	$ 215,755

NOTE 7 – ACCRUED EXPENSES

	December 31, 2016	December 31, 2015
Accrued Wages	419,501	339,329
Accrued Interest	148,456	27,592
Accrued Interest Related party	107,167	143,038
Customer Deposit	3,000	204,763
Accrued Payable to GE - TSA	972,233	792,868
Accrued Rent	123,626	48,190
Total Accrued Expenses	1,773,983	1,555,780

NOTE 8 – NOTES PAYABLE

The Company issued a short-term note payable to an individual, secured by the assets of the Company, dated September 6, 2013 in the amount of $50,000 and fixed fee amount of $3,500. As of December 31, 2016 the outstanding balance was $38,500 .

On November 11, 2013, we entered in to an accounts receivable financing agreement with American Interbanc (now Nations Interbanc). Amounts outstanding under the agreement bear interest at the rate of 2.5% per month. It is secured by the assets of the Company. In addition, it is personally guaranteed by Kambiz Mahdi, our Chief Executive Officer. As of December 31, 2016, the outstanding balance was $790,959 compared to $786,227 at December 31, 2015.

On November 3, 2009, the Company issued an unsecured note payable to Linwood Goddard at a 12.00% interest rate, with a 36-month amortization and monthly payments of $334.14. At March 31, 2016, the outstanding balance was $4,332. On May 13, 2016 the remaining principal balance of this note and accrued interest were converted into common stock at $.08.

On December 24, 2009, the Company issued an unsecured note payable to Linwood Goddard at a 12.00% interest rate, with a 36-month amortization and monthly payments of $334.14. At March 31, 2016, the outstanding balance was $4,332. On May 13, 2016 the remaining Principal balance of this note and accrued interest were converted into common stock at $.08

On August 28, 2014, we issued an unsecured note for $100,000 with a fixed fee of $20,000, amortized over 7 months. On December 22, 2014, the outstanding balance of this note including remaining fees was $58,441, when the outstanding balance was rolled into a new note in the initial principal amount of $150,000, with fees in the amount of $28,500. The new note amortizes over 18 months. The outstanding balance at December 31, 2016 was $7,388.

On September 11, 2015, our CE HRS subsidiary issued a promissory note in the initial principal amount $1,400,000 and assumed a pension liability of $100,000, for a total liability of $1,500,000, in connection with our acquisition of the heat recovery solutions, or HRS, assets of General Electric International, Inc., a Delaware corporation ("GEII"), including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures. The note bears interest at the rate of 2.66% per annum. The note is payable on the following schedule: (a) $200,000 in principal on December 31, 2015 and (b) thereafter, the remaining principal amount of $1,200,000, together with interest thereon, payable in equal quarterly installments of principal and interest of $157,609.02, commencing on December 31, 2016 and continuing until December 31, 2018, at which time the remaining unpaid principal amount of this note and all accrued and unpaid interest thereon shall be due and payable in full.

Convertible notes

On March 15, 2016, we entered into a three-year convertible note payable in the initial face amount of $75,000, which accrues interest at the rate of 1.46% per annum. It was not convertible until six months after its issuance and has a conversion rate of sixty five percent (65%) of the lowest closing bid price (as reported by Bloomberg LP) of common stock for the twenty (20) Trading Days immediately preceding the date of the date of conversion. On September 15, 2016 we issued shares at a price of $.006 per share for a partial conversion of this note in the amount of $15,000. On November 1, 2016 the Company exercised its right to redeem the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $84,000.

On June 6, 2016, we entered into a one-year convertible note payable for $87,500, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. On December 16, 2016 we issued 1,200,000 shares of common stock at $.0031 for a partial conversion of this note in the amount of $3,696. Subsequently on January 4, we issued 2,300,000 shares of common stock at $.002192 for a partial conversion of this note in the amount of $5,042.

On June 15, 2016, Meddy Sahebi, Chairman of our Board of Directors, advanced the Company $5,000. There were no specified terms for repayment of this loan other than that it was to be repaid within a reasonable time. As of December 31, 2016 the outstanding balance was $5,000.

On July 6, 2016, we entered into a six-month convertible note payable for $77,500, which accrues interest at the rate of 10% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion.

On August 12, 2016, we entered into a six-month convertible note payable for $57,000, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion.

On November 2, 2016, we effected the repayment of the convertible note dated March 15, 2016 for an aggregate amount of $84,000. Concurrently, we entered into an Escrow Funding Agreement with Red Dot Investment, Inc., a California corporation ("Reddot"), pursuant to which Reddot deposited funds into escrow to fund the repayment and we assigned to Reddot our right to acquire the convertible note and Reddot acquired the convertible note. Concurrently, we and Reddot amended the convertible note (a) to have a fixed conversion price of $.005 per share, subject to potential further adjustment in the event of certain Common Stock issuances, (b) to have a fixed interest rate of ten percent (10%) per annum with respect to both the redemption amount and including a financing fee and any costs, expenses, or other fees relating to the convertible note or its enforcement and collection, and any other expense for or on our account (in each case with a minimum 10% yield in the event of payoff or conversion within the first year), such amounts to constitute additional principal under the convertible note, as amended, and (c) as otherwise provided in the Escrow Funding Agreement. The March 2016 convertible note, as so amended, is referred to as the "Master Note."

On January 9, 2017, we effected the partial repayment of the convertible note dated July 6, 2016. The holder had elected to convert $15,400 ($11,544.45 in principal and $3.855.55 in accrued interest) into a total of 7,000,000 shares of Common Stock. The conversion left $66,205.55 remaining due and payable under the July 2016 convertible note and we paid the note holder a total of $89,401.98 in repayment. On January 12, 2017, we effected the partial repayment of the convertible note dated June 6, 2016. The holder had elected to retain $26,117.77 (consisting of $24,228.72 in principal and $1,899.05 in interest), leaving $60,941.49 remaining due and payable under the June 2016 convertible note, which was satisfied and canceled in consideration of the payment to the note holder of $97,506.38. On January 9, 2017, we effected the repayment in full of the convertible note dated August 12, 2016 through payment to the note holder of a total of $89,401.98.

Concurrently with the foregoing note repayments, we entered into a Credit Agreement and Promissory Note (the "Credit Agreement") with Megawell USA Technology Investment Fund I LLC, a Wyoming limited liability company in formation ("MW I"), pursuant to which MW I deposited funds into escrow to fund the repayment of the convertible notes and we assigned to MW I our right to acquire the convertible notes and otherwise agreed that MW I would be subrogated to the rights of each note holder to the extent a note was repaid with funds advanced by MW I. Concurrently, MW I acquired the Master Note and we agreed that all amounts advanced by MG I to or for our benefit would be governed by the terms of the Master Note, including the payment of a financing fees, interest, minimum interest, and convertibility. Reddot is MW I's agent for purposes of administration of the Credit Agreement and the Master Note and advances thereunder.

The foregoing summary descriptions of the Escrow Funding Agreement (including amendments to the Master Note), the Settlement Agreement, and the Credit Agreement are not complete and are qualified in their entirety by reference to the full texts thereof, copies of which were included as Exhibits 10.02 to our Current Report on Form 8-K dated October 31, 2016 and to Exhibits 10.01 and 10.02 to our Current Report on Form 8-K dated January 4, 2016. The foregoing summary description of the original Master Note is not complete and is qualified in its entirety by reference to the full text thereof, a copy of which was included as Exhibit 10.03 to our Current Report on Form 8-K dated October 31, 2016.

Note 9 – Derivative Liabilities

On March 11, 2016, we entered into a 3-year convertible note payable with Peak One Investments for $75,000, which accrues interest at the rate of 1.46% per annum. It was not convertible for 6 months and had a conversion rate of sixty five percent (65%) of the lowest closing bid price (as reported by Bloomberg LP) of Common Stock for the twenty (20) Trading Days immediately preceding the date of the date of conversion. On September 15, 2016 we issued shares @ $.006 for a partial conversion of this note in the amount of $15,000. Subsequently on October 31, 2016 the balance of this note was paid in full.

	December 31, 2016	December 31, 2015
Derivative Liabilities on Convertible Loans:		
Convertible note dated June 6, 2016	$ 102,913	$ 0

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Rental Leases

On February 21, 2012 Trident Manufacturing, Inc. entered into a five-year lease for the facility in Salt Lake City, Utah with First Industrial Realty Trust, Inc. with a commencement date of February 21, 2012. The facility is approximately 15,040 square feet and located at 440 West Lawndale Drive, Salt Lake City UT 84115.

Year	**Rent**
2017	13,536

In April 2015, Trident entered into a sublease agreement for the facility with Lucky Spoon, LLC. The term of the sublease commenced on April 1, 2015 and expires on the last day of Trident's lease.

On August 27, 2015, we entered into a sublease agreement with Rosenson Properties, LLC, a California limited liability company, as landlord, and General Electric International, Inc., a Delaware corporation, as tenant and assignor, for the premises located at 150 Baker Street East, Costa Mesa, California. GEII had entered into a lease dated as of December 17, 2010, as amended by a First Amendment to Lease dated March 11, 2014, wherein Rosenson Properties leased the premises to GEII. The premises consist of approximately 35,704 square feet of space and the lease provides for monthly triple-net lease payments of $22,973. The lease term ended on December 31, 2016.

On March 10, 2016, we signed a lease agreement for a 18,200 square-foot CTU Industrial Building at 2990 Redhill Unit A, Costa Mesa, CA. On May 1, 2016 we moved out of the Baker Street facility and moved our operations and headquarters to the new facility. The lease term at the new facility is seven years and two months beginning October 1, 2016. Rental is $179,090 for the first twelve months.

Year	Lease Payment
2017	$221,352
2018	$228,000
2019	$234,840
2020	$241,884
2021	$249,132
2022	$256,608
2023	$44,052

Our Rent expense for the years ended December 31, 2016 and 2015 was $230,024 and $260,091respectively.

Severance Benefits

Effective at December 31, 2016, Mr. Mahdi, was entitled to receive in the event of his termination without cause a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Mahdi would have been entitled to receive period of (1) year, at an annual salary of $275,000.

Effective at December 31, 2016, Mr. Bennett, was entitled to receive in the event of his termination without cause a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Bennett would have been entitled to receive through the remainder of his employment period or two (2) years, whichever is greater, at an annual salary of $140,000.

NOTE 11 – CAPITAL STOCK TRANSACTIONS

On April 21, 2005, our Board of Directors and shareholders approved the re-domicile of the Company in the State of Nevada, in connection with which we increased the number of our authorized common shares to 200,000,000 and designated a par value of $.001 per share.

On May 25, 2006, our Board of Directors and shareholders approved an amendment to our Articles of Incorporation to authorize a new series of preferred stock, designated as Series C, and consisting of 15,000 authorized shares.

On June 30, 2016, our Board of Directors and shareholders approved an increase in the number of our authorized common shares to 400,000,000 and in the number of our authorized preferred shares to 10,000,000. The amendment effecting the increase in our authorized capital was filed and effective on July 5, 2016.

Stock Repurchase Program

On November 1, 2011, the Company adopted a plan to repurchase up to 500,000 shares of its issued and outstanding common stock in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended.

The plan allows the Company to purchase its issued and outstanding common shares in the open market or in negotiated transactions, from time to time, depending on market conditions and other factors as well as being in compliance with applicable securities laws. The plan does not obligate the Company to make any purchases, at any specific time or in any particular situation. The plan may be suspended or discontinued at any time at the sole discretion of the Company. Share repurchases will be funded with the Company's available cash, after determining the working capital requirements of the Company. Accordingly, there is no guarantee as to the exact number of shares that will be repurchased under the plan.

The Company's Board of Directors authorized the repurchase plan because it believed market conditions at the time of the plan's adoption or thereafter may cause the Company's common stock to be undervalued and repurchases of Company common stock to be in the best interests of the Company and its stockholders. The timing and number of any shares repurchased will depend on the terms and conditions of the plan and no assurance can be given that any specific amount of common stock will be repurchased.

Common Stock Transactions

Beginning with the year 2015, we issued the following securities without registration under the Securities Act of 1933, as amended. These securities were issued on the reliance of an exemption provided by Section 4(a)(2) or 4(a)(5) of the Securities Act.

On February 2, 2015, we issued 40,000 shares of common stock for services at $.08

On February 24, 2015, we issued 1,845,000 shares of common stock for cash in the amount of $116,698, of which $70,699 was received in 2014 and the balance included in "to be issued."

On March 6, 2015, we issued 450,000 shares of common stock for services to related parties at $.05 per share, which was accrued for in 2014.

On March 6, 2015, we issued 50,000 shares of common stock for services at $.05 per share.

On April 1, 2015 we issued 25,000 shares of common stock for consulting services at $.05 per share.

On September 11, 2015, we issued 1,300,000 shares of common stock for compensation at $.05 per share.

On October 1, 2015, we issued 104,910,321 shares of common stock to two investors for $500,000 in cash.

On March 11, 2016 we issued 400,000 shares of our common stock @ $.07 for financing fees.

On May 5, 2016 we issued 387,866 to a previous employee @ $.08 for $8,644 in notes payable, $11,332 in accrued interest and $11,030 for past due payroll.

On August 15, 2016 we issued 562,500 shares @ $.08 to a consultant for past due amounts owed of $45,000.

On July 1, 2016 we entered into a consulting agreement with Uptick capital for 300,000 a term of 45 days. For these services, we agreed to issue a total of 300,000 shares of our common stock.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2015 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (six persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

On September 15, 2016 we issued 2,380,952 shares @ $.006 for a partial conversion of the convertible note dated March 11, 2016 in the amount of $15,000.

On October 31, 2016, Clean Energy Technologies, Inc., a Nevada corporation (the "Company") closed a private placement pursuant to Section 4(a) (2) of the Securities Act to one investor, Cyberfuture One LP, ("Subscriber") of an aggregate of 10,500,000 restricted common shares ("Shares") at a price of US$0.04 per Share, for total gross proceeds of US $420,000. The offering provides that Subscriber obtains piggyback registration rights on the Shares, so long as the Subscriber holds at least 8% of the outstanding Common Stock. Also, the subscription agreement provides that if the Company and the Subscriber enter a joint venture that the Subscriber will be entitled to nominate a person to be elected to and to serve on the Board of Directors of the Company. The restricted common shares were offered by the Company pursuant to an exemption from registration under Regulation S of the Securities Act of 1933, as amended. The private placement was fully subscribed to by one non-U.S. person.

On December 16, 2016, we issued 1,200,000 shares @ .0031 for a partial conversion of a note dated June 6, 2016 in the amount of $3,696.

Subsequently on January 4, 2017 we issued 2,300,000 shares @ .002291 for a partial conversion of a note dated June 6, 2016 in the amount of $5,041.

Subsequently on January 4, 2017 we issued 7,000,000 shares @ .0022 for a partial conversion of a note dated July 6, 2016 in the amount of $15,400.

Subsequently on February 8, 2017 we issued 2,400,000 shares @ .00188 for a partial conversion of a note dated June 6, 2016 in the amount of $4,512.

Subsequently on February 27, 2017 we issued 8,600,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $8,600.

Subsequently on March 3, 2017 we issued 9,000,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,000.

Subsequently on March 8, 2017 we issued 600,000 shares @ .007 for compensation in the amount of $4,200.

Subsequently on March 10, 2017 we issued 9,500,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,500.

Common Stock

Our Articles of Incorporation authorize us to issue 400,000,000 shares of common stock, par value $0.001 per share. As of December 31, 2016 there were 155,178,083 shares of common stock outstanding. All outstanding shares of common stock are, and the common stock to be issued will be, fully paid and non-assessable. Each share of our common stock has identical rights and privileges in every respect. The holders of our common stock are entitled to vote upon all matters submitted to a vote of our shareholders and are entitled to one vote for each share of common stock held. There are no cumulative voting rights.

The holders of our common stock are entitled to share equally in dividends and other distributions that our Board of Directors may declare from time to time out of funds legally available for that purpose, if any, after the satisfaction of any prior rights and preferences of any outstanding preferred stock. If we liquidate, dissolve or wind up, the holders of common stock shares will be entitled to share ratably in the distribution of all of our assets remaining available for distribution after satisfaction of all our liabilities and our obligations to holders of our outstanding preferred stock.

Preferred Stock

Our Articles of Incorporation authorize us to issue 10,000,000 shares of preferred stock, par value $0.001 per share. Our Board of Directors has the authority to issue additional shares of preferred stock in one or more series, and fix for each series, the designation of and number of shares to be included in each such series. Our Board of Directors is also authorized to set the powers, privileges, preferences, and relative participating, optional or other rights, if any, of the shares of each such series and the qualifications, limitations or restrictions of the shares of each such series.

Unless our Board of Directors provides otherwise, the shares of all series of preferred stock will rank on parity with respect to the payment of dividends and to the distribution of assets upon liquidation. Any issuance by us of shares of our preferred stock may have the effect of delaying, deferring or preventing a change of our control or an unsolicited acquisition proposal. The issuance of preferred stock also could decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the rights and powers, including voting rights, of the holders of common stock.

We previously authorized 440 shares of Series A Convertible Preferred Stock, 20,000 shares of Series B Convertible Preferred Stock, and 15,000 shares Series C Convertible Preferred Stock. As of August 20, 2006, all series A, B, and C preferred had been converted into common stock.

Effective August 7, 2013, our Board of Directors designated a series of our preferred stock as Series D Preferred Stock, authorizing 15,000 shares. Our Series D Preferred Stock offering terms authorized us to raise up to $1,000,000 with an over-allotment of $500,000 in multiple closings over the course of six months. We received an aggregate of $750,000 in financing in subscription for Series D Preferred Stock, or 7,500 shares.

The following are primary terms of the Series D Preferred Stock. The Series D Preferred holders were initially entitled to be paid a special monthly divided at the rate of 17.5% per annum. Initially, the Series D Preferred Stock was also entitled to be paid special dividends in the event cash dividends were not paid when scheduled. If the Company does not pay the dividend within five (5) business days from the end of the calendar month for which the payment of such dividend to owed, the Company will pay the investor a special dividend of an additional 3.5%. Any unpaid or accrued special dividends will be paid upon a liquidation or redemption. For any other dividends or distributions, the Series D Preferred Stock participates with common stock on an as-converted basis. The Series D Preferred holders may elect to convert the Series D Preferred Stock, in their sole discretion, at any time after a one year (1) year holding period, by sending the Company a notice to convert. The conversion rate is equal to the greater of $0.08 or a 20% discount to the average of the three (3) lowest closing market prices of the common stock during the ten (10) trading day period prior to conversion. The Series D Preferred Stock is redeemable from funds legally available for distribution at the option of the individual holders of the Series D Preferred Stock commencing any time after the one (1) year period from the offering closing at a price equal to the initial purchase price plus all accrued but unpaid dividends, provided, that if the Company gave notice to the investors that it was not in a financial position to redeem the Series D Preferred, the Company and the Series D Preferred holders are obligated to negotiate in good faith for an extension of the redemption period. The Company timely notified the investors that it was not in a financial position to redeem the Series D Preferred and the Company and the investors have engaged in ongoing negotiations to determine an appropriate extension period. The Company may elect to redeem the Series D Preferred Stock any time at a price equal to initial purchase price plus all accrued but unpaid dividends, subject to the investors' right to convert, by providing written notice about its intent to redeem. Each investor has the right to convert the Series D Preferred Stock at least ten (10) days prior to such redemption by the Company.

In connection with the subscriptions for the Series D Preferred, we issued series F warrants to purchase an aggregate of 375,000 shares of our common stock at $.10 per share and series G warrants to purchase an aggregate of 375,000 shares of our common stock at $.20 per share.

On August 21, 2014, a holder holding 5,000 shares of Preferred Series D Preferred agreed to lower the dividend rate to 13% on its Series D Preferred. In September 2015, all holders of Series D Preferred signed and delivered estoppel agreements, whereby the holders agreed, among other things, that the Series D Preferred was not in default and to reduce (effective as of December 31, 2015) the dividend rate on the Series D Preferred Stock to six percent per annum and to terminate the 3.5% penalty in respect of unpaid dividends accruing on or after such date.

Warrants

Series E – Common stock warrants

On April 8, 2011, we issued 300,000 series E Warrants. Each warrant gives the holder the right to purchase one share of common stock (300,000 total shares) at $0.50 per share. The Series E Warrants expired on April 8, 2016.

Series F – Common stock warrants

On June 25, 2013, we issued 250,000 series F warrants. Each warrant gives the holder the right to purchase one share of common stock at $.10.

On September 19, 2013, we issued 125,000 series F warrants. Each warrant gives the holder the right to purchase one share of common stock at $.10.

Series G – Common stock warrants

On June 25, 2013, we issued 250,000 series G warrants. Each warrant gives the holder the right to purchase one share of common stock at $.20.

On September 19, 2013, we issued 125,000 series G warrants. Each warrant gives the holder the right to purchase one share of common stock at $.20.

A summary of warrant activity for the periods is as follows:

	Warrants - Common Share Equivalents	Weighted Average Exercise price	Warrants exercisable - Common Share Equivalents	Weighted Average Exercise price
Outstanding December 31, 2015	1,050,000	0.25	1,050,000	0.25
Granted	-	-	-	-
Expired	(300,000)	.50	(300,000)	.50
Exercised	-	-	-	-
Outstanding December 31, 2016	750,000	0.15	750,000	0.15

		Warrants Outstanding					Warrants Exercisable		
Range of Warrant Exercise Price		Warrants - Common Share Equivalents	Weighted Average Exercise price		Weighted Average Remaining Contractual life in years	Warrants - Common Share Equivalents	Weighted Average Exercise price		
$	0.10	250,000	$	0.10	1.75	250,000	$	0.10	
$	0.20	250,000	$	0.20	1.75	250,000	$	0.20	
$	0.10	125,000	$	0.10	2.00	125,000	$	0.10	
$	0.20	125,000	$	0.20	2.00	125,000	$	0.20	
Total		750,000	$	0.15		750,000	$	0.15	

Stock Options

On February 8, 2007 pursuant to our 2006 Qualified Incentive Option Plan, we granted to Company employees incentive stock options to purchase 406,638 shares of our common stock. These options were granted at $1.73 cents, the fair market value of the Company's common stock at the time of the grant. These options expire on February 8, 2017. At December 31, 2016 there were 15,122 outstanding options under this plan.

On February 8, 2008, we granted stock options to our key employees to purchase up to 750,000 shares of our common stock. These options were granted at $1.73 cents, the fair market value of the Company's common stock at the time of the grant. These options expire on February 8, 2017. As of December 31, 2016 the balance of the outstanding options under this plan is 30,000.

On February 28, 2008, we granted stock options to a key employee to purchase up to 30,000 shares of our common stock. These options were granted at $.033 cents, the fair market value of the Company's common stock at the time of the grant. These options expire on February 8, 2017. As of December 31, 2016, the balance of the outstanding options under this plan was 30,000.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2015 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (six persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

NOTE 12 – RELATED PARTY TRANSACTIONS

Kevin Scott, one of the Board of Directors members, owns SK Polymers. SK Polymers is a supplier to the Company. Our Board of Directors has approved the supply transactions between SK Polymers and the Company. On June 7, 2016 Mr. Scott resigned from our Board of Directors

Kambiz Mahdi, our Chief Executive Officer, owns Billet Electronics, which is distributor of electronic components. From time to time, we purchase parts from Billet Electronics. In addition, from time to time, we provide assembly and value-added services to Billet Electronics. In addition, Billet was a supplier of parts and had dealings with current and former customers of the Company. Our Board of Directors has approved the transactions between Billet Electronics and the Company.

On September 11, 2015, we issued 400,000 shares of common stock to John Bennett, our Chief Financial Officer, as additional compensation at $.05 per share.

On September 11, 2015, we issued 150,000 shares of common stock at $.05 per share for Board of Director compensation to each of Kam Mahdi our Chief Executive officer, Robert Young, Shervin Talieh, Kevin Scott, Juhani Taskinen, and John Bennett our Chief Financial Officer.

On June 15, 2016 Meddy Sahebi Chairman of our Board of Directors advanced the Company $5,000. There were no specified terms for repayment of this loan other than that it was to be repaid within a reasonable time. As of December 31, 2016, the outstanding balance was $5,000.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2015 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (six persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

Note 13 - Warranty Liability

For the year ended December 31, 2016 we recognized a gain on our warranty liability in the amount of $141,611.
This gain was the result of a reduction in our warranty liability, as most of the units in the field are no longer under warranty.

NOTE 14 – SUBSEQUENT EVENTS

On March 15, 2016, we entered into a three-year convertible note payable in the initial face amount of $75,000, which accrues interest at the rate of 1.46% per annum. It was not convertible until six months after its issuance and has a conversion rate of sixty five percent (65%) of the lowest closing bid price (as reported by Bloomberg LP) of common stock for the twenty (20) Trading Days immediately preceding the date of the date of conversion. On September 15, 2016, we issued shares at a price of $.006 per share for a partial conversion of this note in the amount of $15,000. On November 1, 2016, the Company exercised its right to redeem the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $84,000.

On June 6, 2016, we entered into a one-year convertible note payable for $87,500, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. On December 16, 2016, we issued 1,200,000 shares of common stock at $.0031 for a partial conversion of this note in the amount of $3,696. Subsequently on January 4, we issued 2,300,000 shares of common stock at $.002192 for a partial conversion of this note in the amount of $5,042. On January 9, 2017, the Company exercised its right to redeem a portion of the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $97,506.

On July 6, 2016, we entered into a six-month convertible note payable for $77,500, which accrues interest at the rate of 10% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. On January 9, 2017, the Company exercised its right to redeem the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $89,401.

On August 12, 2016, we entered into a six-month convertible note payable for $57,000, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. On January 9, 2017, the Company exercised its right to redeem the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $85,500.

On November 2, 2016, we effected the repayment of the convertible note dated March 15, 2016 for an aggregate amount of $84,000. Concurrently, we entered into an Escrow Funding Agreement with Red Dot Investment, Inc., a California corporation ("Reddot"), pursuant to which Reddot deposited funds into escrow to fund the repayment and we assigned to Reddot our right to acquire the convertible note and Reddot acquired the convertible note. Concurrently, we and Reddot amended the convertible note (a) to have a fixed conversion price of $.005 per share, subject to potential further adjustment in the event of certain Common Stock issuances, (b) to have a fixed interest rate of ten percent (10%) per annum with respect to both the redemption amount and including a financing fee and any costs, expenses, or other fees relating to the convertible note or its enforcement and collection, and any other expense for or on our account (in each case with a minimum 10% yield in the event of payoff or conversion within the first year), such amounts to constitute additional principal under the convertible note, as amended, and (c) as otherwise provided in the Escrow Funding Agreement. The March 2016 convertible note, as so amended, is referred to as the "Master Note."

On January 9, 2017, we effected the partial repayment of the convertible note dated July 6, 2016. The holder had elected to convert $15,400 ($11,544.45 in principal and $3.855.55 in accrued interest) into shares of Common Stock, as described below. The conversion left $66,205.55 remaining due and payable under the July 2016 convertible note and we paid the note holder a total of $89,401.98 in repayment. On January 12, 2017, we effected the partial repayment of the convertible note dated June 6, 2016. The holder had elected to retain $26,117.77 (consisting of $24,228.72 in principal and $1,899.05 in interest), leaving $60,941.49 remaining due and payable under the June 2016 convertible note, which was satisfied and canceled in consideration of the payment to the note holder of $97,506.38. The holder has converted $21,512.00 into shares of Common Stock, as described below. On January 9, 2017, we effected the repayment in full of the convertible note dated August 12, 2016 through payment to the note holder of a total of $89,401.98.

Concurrently with the foregoing note repayments, we entered into a Credit Agreement and Promissory Note (the "Credit Agreement") with Megawell USA Technology Investment Fund I LLC, a Wyoming limited liability company in formation ("MW I"), pursuant to which MW I deposited funds into escrow to fund the repayment of the convertible notes and we assigned to MW I our right to acquire the convertible notes and otherwise agreed that MW I would be subrogated to the rights of each note holder to the extent a note was repaid with funds advanced by MW I. Concurrently, MW I acquired the Master Note and we agreed that all amounts advanced by MG I to or for our benefit would be governed by the terms of the Master Note, including the payment of a financing fees, interest, minimum interest, and convertibility. Reddot is MW I's agent for purposes of administration of the Credit Agreement and the Master Note and advances thereunder.

The foregoing summary descriptions of the Escrow Funding Agreement (including amendments to the Master Note), the Settlement Agreement, and the Credit Agreement are not complete and are qualified in their entirety by reference to the full texts thereof, copies of which were included as Exhibits 10.02 to our Current Report on Form 8-K dated October 31, 2016 and to Exhibits 10.01 and 10.02 to our Current Report on Form 8-K dated January 4, 2016. The foregoing summary description of the original Master Note is not complete and is qualified in its entirety by reference to the full text thereof, a copy of which was included as Exhibit 10.03 to our Current Report on Form 8-K dated October 31, 2016.

Subsequently on January 4, 2017 we issued 2,300,000 shares @ .002291 for a partial conversion of a note dated June 6, 2016 in the amount of $5,041.

Subsequently on January 4, 2017 we issued 7,000,000 shares @ .0022 for a partial conversion of a note dated July 6, 2016 in the amount of $15,400.

Subsequently on February 8, 2017 we issued 2,400,000 shares @ .00188 for a partial conversion of a note dated June 6, 2016 in the amount of $4,512.

Subsequently on February 27, 2017 we issued 8,600,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $8,600.

Subsequently on March 3, 2017 we issued 9,000,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,000.

Subsequently on March 8, 2017 we issued 600,000 shares @ .007 for compensation in the amount of $4,200.

Subsequently on March 10, 2017 we issued 9,500,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,500.

Subsequently on April 3, 2017 we issued 7,700,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $7,700.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9a. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports pursuant to the Securities Exchange Act, of 1934, as amended, or the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15(b) of the Exchange Act, an evaluation as of December 31, 2016 was conducted under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were not effective as of December 31, 2016.

(b) Report of Management on Internal Control over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management including our of our chief executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO.

Based on our evaluation under the Internal Control-Integrated Framework, our chief executive officer and chief financial officer concluded that our internal control over financial reporting was not effective as of December 31, 2016.

(c) Changes in Internal Control over Financial Reporting

There have been no other changes in our internal control over financial reporting that occurred during the period covered by this Annual Report on Form 10-K for the year ended 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9b. Other Information.

On October 9, 2015, Mr. Meddy Sahebi, Mr. Daniel Elliott, Ms. Erin Falconer, Mr. Juha Rouvinen and Mr. William Maloney were appointed as Directors of the Company, to serve until the next annual meeting of the Shareholders and/or until his successor is duly appointed.

On October 12, 2015, Mr. Juhani Taskinen, resigned as a Director of the Company. On December 23, 2015, Mr. Shervin Talieh, resigned as an Officer and Director of the Company. Neither Mr. Taskinen, nor Mr. Talieh's resignations were the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

On September 16, 2016, Mr. Dan Elliote resigned as a Director of the Company. On June 7, 2016, Mr. Kevin Scott, resigned as a Director of the Company. Neither Mr. Elliote, nor Mr. Scott's resignations were the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

On November 13, 2015, Probe Manufacturing, Inc., a Nevada corporation, (the "Company"), with the approval of its board of directors and its majority shareholders by written consent in lieu of a meeting, filed a Certificate of Amendment (the "Certificate of Amendment") with the Secretary of State of Nevada. As a result of the Certificate of Amendment, the Company has, changed its name to "Clean Energy Technologies, Inc.".

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Director Qualifications

We believe that our Board of Directors should encompass a diverse range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to our operations and interests. Each director also is expected to: exhibit high standards of integrity, commitment and independence of thought and judgment; use his or her skills and experiences to provide independent oversight to our business; participate in a constructive and collegial manner; be willing to devote sufficient time to carrying out their duties and responsibilities effectively; devote the time and effort necessary to learn our business; and represent the long-term interests of our Shareholders. Furthermore, we believe our Board of Directors should be comprised of persons with skills in areas such as: finance, electronic manufacturing, leadership of business organizations and legal matters.

Kambiz Mahdi , age 52, Kambiz Mahdi is co-founder, and served as President and Chief Executive Officer of Probe Manufacturing from 1996 until December of 2005 and again from July 2009 until present. Prior to CETY, Mr. Mahdi was technical director at Future Electronics for six years supporting Motorola, Analog Devices and Micro Chip technologies and product lines. While at Future Electronics, Mr. Mahdi developed superior technical management leadership and skills servicing some of the top 100 fortune technology customers and their applications. Mr. Mahdi also started Billet Electronics a global supply chain provider of products, services and solutions in the technology sector in 2007. He has established the company as a leading independent distributor of electronic components and provider of value-added services to its market. Mr. Mahdi has a BS degree in Electrical Engineering from California State University of Northridge. Mr. Mahdi has not served on any other boards of public companies in the past five years.

Our Board of Directors selected Mr. Mahdi to serve as a director because he is our Chief Executive Officer and has served in various executive roles with our company for 14 years, with a focus on electrical design & manufacturing, sales and operations. Mr. Mahdi has profound insight into the development, marketing, finance, and operations aspects of our company. He has expansive knowledge of engineering and manufacturing industry and relationships with chief executives and other senior management at technology companies. Our Board of Directors believes that Mr. Mahdi brings a unique and valuable perspective to our Board of Directors.

John Bennett , age 56, John Bennett has been with Probe Manufacturing since February 2005, as the Chief Financial Officer. He has been in the Electronic Manufacturing Industry for 22 years. He has held positions as the Controller, Vice President of Finance and Chief Financial Officer, with experience in Contract Manufacturing of Printed Circuit Board Assembly, Cable and Harness Assembly, Box Builds and Battery & Charger assembly. He holds a Bachelor of Science in Accounting from Mesa University and a Master of Science in Finance from the University of Colorado. Mr. Bennett has not served on any other boards of public companies in the past five years.

Our Board of Directors selected Mr. Bennett to serve as a director because he is our Chief Financial Officer and has been with our company for more than 10 years, where his primary focus has been on the financial systems and operations and SEC reporting of the company. He has significant knowledge of, and relationships within, the electronic manufacturing industry, due in part to the 25 years he has spent working in the industry. Our Board of Directors believes that his executive experience in the electronic manufacturing coupled with his deep knowledge of our company's strategies and operations will bring strong financial and operational expertise to our Board of Directors.

Robert Young , age 63, prior to joining our board of directors in June of 2012, Mr. Young was Director of Mobile Services for Boeing Satellite Systems, Inc. ("BSS"), the world's largest manufacturer of commercial satellites, where he was responsible for developing communication and navigation services for governmental and commercial clients. Prior to joining BSS, Mr. Young was the CFO and Chief of Business Operations for a joint venture between Hughes Electronics, General Motors and Delco Electronics. Previously, Mr. Young was assigned to the Hughes Electronics Corporate Office where he was responsible for mergers and acquisitions, identifying and developing foreign offset programs and served as the Hughes Chief Economist. Mr. Young currently sits on the board of Kinecta Federal Credit Union, which is the 19 th largest credit union in the United States (having previously served as Kinecta's Chairman of the board of directors from 2007-2009). Mr. Young received his B.S. degree from the San Diego State University and an M.BA. from Loyola Marymount University.

Our Board of Directors selected Mr. Young to serve as a director due to his knowledge of the electronics manufacturing industry and his previous relationships with companies such as BSS, Hughes Electronics, General Motors and Delco Electronics. Mr.

Young's extensive knowledge of our company's business sector combined with his executive experience at numerous other companies focused on the manufacturing industry is a significant asset to our company. Our Board of Directors believes that Mr. Young's experience will assist us in developing our long- term strategy in the electronics manufacturing services industry.

Kevin Scott age 53 - is President of SK Polymers, Inc., which provides distribution and consulting services in the North American Petro-Chemical market. Mr. Scott brings 25 years of expertise in marketing and procurement stemming from his previous positions at privately held groups such as Rimpac International and Major North American Petro Chemical companies such as Eastman Chemical Company, Ineos and Lyondell Basell. Mr. Scott currently serves as board chair of the Children ' s Dental Center of Greater Los Angeles, an organization that provides education, dental screening and clinical services to the underserved children of Los Angeles. Mr. Scott received his B.S. degree from Franklin University in Business Administration. On June 7, 2016, Mr. Kevin Scott, resigned as a Director of the Company. Mr. Scott's resignation was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Meddy Sahebi age 61 – Meddy Sahebi, has over 35 years of experience in business development, where he has focused specifically on finding opportunities in emerging markets, and product development. Mr. Sahebi, was a founder of Mann Healthcare Partners, in 2011, and has been a director since that time. From 2008 to 2011, Mr. Sahebi was a business development consultant to Crescent Financial Partners, a Los Angeles – based private equity and merchant banking firm. While at Crescent, Mr. Sahebi focused on business development for fast growing, early-stage and middle market companies across multiple industries ranging from high-tech to real estate to energy companies. Prior to 2008, Mr. Sahebi founded a consulting company that worked with master developers to develop eco-friendly, socially responsible, sustainable communities comprising of entertainment, commercial and residential real estate projects in the United States and Canada. The Board of Directors appointed Mr. Sahebi as Chairman of the Board of the Company due to his strong experience in management of small to mid-size companies and his work in the emerging markets.

William Maloney age 57 – William Maloney has been the President of Bioenergy Associates, LLC, since 2008, where he is currently managing consultants and providing advisory services to biofuels and bioenergy producers, traders and project developers. Mr. Maloney has been involved in the renewable energy sector for over 30 years. Previously to working at Bioenergy Associates, Mr. Maloney served as President and CEO of Pacific West Energy, LLC, a renewable energy company involved in developing renewable energy projects in Hawaii, and affiliated with Province Line Capital LLC, a company that traded in soft commodities and biofuels, as well as, providing consulting and advisory services. From 1996 – 2008 Mr. Maloney served as Director of Business development for ED & F Man Alcohols. In this position Mr. Maloney was responsible for fuel ethanol sales in the USA as well as project evaluation and development in the US and Central America. In addition to ED & F Man, Mr. Maloney has or continues to provide consulting services to such firms the Louis Dreyfus, Vitol SA, Morgan Stanley, Pacific Ventures, Pacific International Energy Solutions, Windstrip and Aloha Petroleum. Prior to joining ED & F Man Mr. Maloney was the principal owner and director of Caribbean Pacific Alcohol Company (1992-1998), owner and operator of a twelve million gallon per annum ethanol plant in Kingston, Jamaica. The Board of Directors believes that Mr. Maloney's experience in the renewable energy sectors and his financial knowledge would be a valuable asset to the Company, and as such, has elected Mr. Maloney as a Director to the Company.

Juha Rouvinen age 49 – Juha Rouvinen, has been the Chairman and CEO of Windstrip LLC, since 2005. At Windstrip, Mr. Rouvinen manages teams that have invented and are commercializing an integrated hybrid power system that provides continuous power to remote locations that otherwise would not have access to electricity. Mr. Rouvinen has more than 20 years of experience in founding, managing, financing and investing in start-up companies. Mr. Rouvinen specializes in advising clean technology investors, incubators and green technology funds in Finland, the Middle East and North America. Previously to Windstrip, Mr. Rouvinen founded and managed a hospitality and health services company in Finland. In light of Mr. Rouvinen's past experience in green technology, start-up companies and his business knowledge, he was appointed as a Director of the Company.

Daniel Elliott age 44– Daniel Elliott is a recognized leader in business development and strategy in the sustainable energy sector. Mr. Elliott was the President/CEO/Board Member of Microvast, Inc. in Stafford, TX from 2009 to 2010, a Lithium Ion Battery MFG with locations in Texas and China with approximately 600 employees, manufacturing LTO lithium batteries for high power applications, i.e., buses, trucks, cranes, power grid, heavy equipment. He was the board member of VRDT Corporation, a holding company of energy assets, including lithium battery plant in Germany, investments in Netherlands for energy assets. Mr. Elliott is the Chief Strategy Officer of Symblu, LLC since 2011 to present. Symblu is a renewable energy development company, developing large solar projects, battery energy storage projects and invests into battery plants. Mr. Elliott has worked around the globe identifying and commercializing leading edge technologies. With more than two decades of experience in operations, business development and distressed company turn-around strategies, Mr. Elliott is able to efficiently assess complex business issues and bring effective action plans to realization. Mr. Elliott has previously worked on major initiatives with dozens of leading companies such as Ford Motor Company, DaimlerChrysler, Honda, MagnaSteyr, Roush, Bosch, Toshiba, Coslight, Yintong Energy, Microvast and others. In 2008, Mr. Elliott was the recipient of the Department of Energy's, "Energy Innovators Award." Mr. Elliott was appointed as a Director of the Company on account of his previous work developing businesses and his work in the sustainable energy sector. On September 16, 2016, Mr. Dan Elliote resigned as a Director of the Company. Mr. Elliote's resignation was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Erin Falconer age 41 – Erin Falconer, is the co-owner and Editor-in-Chief of PickTheBrain.com, which is currently one of the most successful self-development websites on the internet, with Forbes Magazine distinguishing her blog as "One of the Top 100 Most Influential Sites for Women", in 2013. In 2012, Erin along with her partner, raised one million dollars to fund her tech start-up LEAF.tv (an ecommerce video brand for the Millennial generation). She was president until 2015, when LEAF was sold to publicly traded, Demand Media. She is now the General Manager of the brand. Simultaneously, since 2008, Erin has been the Editor in Chief and co-owner of PickTheBrain - one of the most successful and respected self-improvement blogs online, today.

Prior to this, Erin was the Vice-President of Marketing for ThisNext - a popular social shopping platform from 2010-2012 and the Content Manager for PeopleJam until it was purchased by Chicken Soup for the Soul, from 2008-2010). Ms. Falconer is a seasoned tech expert with over 8 years of online experience. She has been heralded as one of the most innovative thought leaders in her space by many media outlets, including LA Confidential. Ms. Falconer is also the co-founder of the lifestyle online website Leaf.tv – a how-to video portal for the millennial generation, which she recently sold. We appointed Ms. Falconer as a Director of the Company due to her extensive online experience creating successful websites, her ability to find innovative solutions to market demands, and her talent of growing small companies into successful brands.

Corporate Governance

Director Attendance at Meetings of the Board of Directors

Our Board of Directors held nine meetings during the fiscal year ended December 31, 2016. Each of our incumbent directors attended at least 75.0% of the aggregate total number of meetings of our Board of Directors held during the period for which he served as a director.

Director Attendance at Annual Meetings of the Shareholders

Although we have no policy with regard to attendance by the members of our Board of Directors at our annual meetings, we invite and encourage the members of our Board of Directors to attend our annual meetings to foster communication between Shareholders and our Board of Directors.

Stockholder Communication with the Board of Directors

Any stockholder who desires to contact members of our Board of Directors, or a specified committee of our Board of Directors, may do so by writing to: Clean Energy Technologies, Inc., Board of Directors, 2990. Redhill Ave, Costa Mesa, California 92626, Attention: Secretary. Communications received will be distributed by our Secretary to such member or members of our Board of Directors as deemed appropriate by our Secretary, depending on the facts and circumstances outlined in the communication received.

Director Independence

We have a Seven-member Board of Directors, five of our directors can be deemed an "independent directors."

While our stock is not listed on the New York Stock Exchange, our independent directors would qualify as independent under the rules of the New York Stock Exchange.

Board Leadership Structure; Independent Lead Director

Meddy Sahebi – Meddy Sahebi, has over 35 years of experience in business development, where he has focused specifically on finding opportunities in emerging markets, and product development. Mr. Sahebi, was a founder of Mann Healthcare Partners, in 2011, and has been a director since that time. From 2008 to 2011, Mr. Sahebi was a business development consultant to Crescent Financial Partners, a Los Angeles – based private equity and merchant banking firm. While at Crescent, Mr. Sahebi focused on business development for fast growing, early-stage and middle market companies across multiple industries ranging from high-tech to real estate to energy companies. Prior to 2008, Mr. Sahebi founded a consulting company that worked with master developers to develop eco-friendly, socially responsible, sustainable communities comprising of entertainment, commercial and residential real estate projects in the United States and Canada. The Board of Directors appointed Mr. Sahebi as Chairman of the Board of the Company due to his strong experience in management of small to mid-size companies and his work in the emerging markets.

Committees of our Board of Directors -

We have no standing committees of our Board of Directors at the current time, which is again due to the size of our operations. From time to time, our Board of Directors may establish committees it deems appropriate to address specific areas in more depth than may be possible at a full Board of Directors meeting. As our company grows, we plan to establish an audit committee, compensation committee and nominating and corporate governance committee. The functions that these committees will perform are currently being performed by our Seven-member Board.

Director Nomination Procedures and Diversity

As outlined above, in selecting a qualified nominee, our Board of Directors considers such factors as it deems appropriate, which may include: the current composition of our Board of Directors; the range of talents of a nominee that would best complement those already represented on our Board of Directors; the extent to which a nominee would diversify our Board of Directors; a nominee's standards of integrity, commitment and independence of thought and judgment; a nominee's ability to represent the long-term interests of our shareholders as a whole; a nominee's relevant expertise and experience upon which to be able to offer advice and guidance to management; a nominee who is accomplished in his or her respective field, with superior credentials and recognition; and the need for specialized expertise. While we do not have a formal diversity policy, we believe that the backgrounds and qualifications of our directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow our Board of Directors to fulfill its responsibilities. Applying these criteria, our Board of Directors considers candidates for membership on our Board of Directors suggested by its members, as well as by our Shareholders. Members of o ur Board of Directors annually review our Board of Directors' composition by evaluating whether our Board of Directors has the right mix of skills, experience and backgrounds.

Our Board of Directors may also consider an assessment of its diversity, in its broadest sense, reflecting, but not limited to, age, geography, gender and ethnicity.

Our Board of Directors identifies nominees by first evaluating the current members of our Board of Directors willing to continue in service. Current members of our Board of Directors with skills and experience relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of our Board of Directors does not wish to continue in service or if our Board of Directors decides not to nominate a member for re-election, our Board of Directors will review the desired skills and experience of a new nominee in light of the criteria set forth above.

Our Board of Directors also considers nominees for our Board of Directors recommended by Shareholders. Notice of proposed stockholder nominations for our Board of Directors must be delivered in accordance with the requirements set forth in our bylaws and SEC Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Nominations must include the full name of the proposed nominee, a brief description of the proposed nominee's business experience for at least the previous five years and a representation that the nominating stockholder is a beneficial or record owner of our common stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. Nominations should be delivered to: Clean Energy Technologies, Inc., Board of Directors, 2990. Redhill Ave, Costa Mesa, California 92626, Attention: Chief Executive Officer.

Our Board of Directors will recommend the slate of directors to be nominated for election at the annual meeting of shareholders. We have not and do not currently employ or pay a fee to any third party to identify or evaluate, or assist in identifying or evaluating, potential director nominees.

Board of Directors Role in Risk Oversight

Our Board of Directors oversees our shareholders' interest in the long-term success of our business strategy and our overall financial strength.

Our Board of Directors is actively involved in overseeing risks associated with our business strategies and decisions. It does so, in part, through its approval of all acquisitions and business-related investments and all assumptions of debt, as well as its oversight of our executive officers pursuant to annual reviews. Our Board of Directors is also responsible for overseeing risks related to corporate governance and the selection of nominees to our Board of Directors.

In addition, the Board reviews the potential risks related to our financial reporting. The Board meets with our Chief Financial Officer and with representatives of our independent registered public accounting firm on a quarterly basis to discuss and assess the risks related to our internal controls. Additionally, material violations of our Code of Ethics and related corporate policies are reported to our Board of Directors.

Code of Business Conduct and Ethics

We have adopted our Code of Ethics, which contains general guidelines for conducting our business and is designed to help our directors, employees and independent consultants resolve ethical issues in an increasingly complex business environment. Our Code of Ethics applies to our Principal Executive Officer, Principal Financial Officer, and persons performing similar functions and all members of our Board of Directors. Our Code of Ethics covers topics including, but not limited to, conflicts of interest, confidentiality of information, and compliance with laws and regulations. Shareholders may request a copy of our Code of Ethics, which will be provided without charge, by writing to: Clean Energy Technologies, Inc., Board of Directors, 2990. Redhill Ave, Costa Mesa, California 92626; Attention: Chief Executive Officer. Our Code of Ethics is also available on our website, http://CETY.io/. If, in the future, we amend, modify or waive a provision in our Code of Ethics, we may, rather than filing a Current Report on Form 8-K, satisfy the disclosure requirement by posting such information on our website, as necessary.

Compensation of Directors

The key objective of our non-employee directors' compensation program is to attract and retain highly qualified directors with the necessary skills, experience and character to oversee our management. We currently use equity-based compensation to compensate our directors due to our restricted cash flow position; however, we may in the future provide cash compensation to our directors. The use of equity-based compensation is designed to recognize the time commitment, expertise and potential liability relating to active Board service, while aligning the interests of our Board of Directors with the long-term interests of our shareholders.

In addition to the compensation provided to our non-employee director, which is detailed below, each non-employee director is reimbursed for any reasonable out-of-pocket expenses incurred in connection with attending in-person meetings of the Board of Directors and Board committees, as well for any fees incurred in attending continuing education courses for directors.

Fiscal Years 2016 and 2015 Annual Cash Compensation

We currently do not provide cash compensation to our directors and as such did not provide any cash compensation during the years ended December 31, 2016 and 2015.

Fiscal Years 2016 and 2015 Equity Compensation

Yearly Restricted Share Awards

Under the terms of the discretionary restricted share unit grant provisions of our 2006 Incentive Stock Plan and our 2011 Omnibus Incentive Plan , which we refer to as the 2006 Plan and 2011 Plan, respectively, each non-employee director is eligible to receive grants of restricted common stock share awards at the discretion of our Board of Directors. These yearly restricted share unit awards vest in full on the grant date. For we issued the 450,000 shares of common stock options to our five independent directors.

Discretionary Grants

Under the terms of the discretionary option grant provisions of the 2006 Plan and the 2011 Plan, non-employee directors are eligible to receive stock options or other stock awards granted at the discretion of the Board of Directors. No director received stock options or other stock awards pursuant to the discretionary grant program during fiscal year 2016 or 2015.

Director Summary Compensation in Fiscal Years 2016 and 2015

The following table sets forth the fiscal years 2015, and 2016 compensation for our non-employee directors.

Name		Fees Earned or Paid in Cash ($) (1)		Stock Awards ($) (2)		Total ($)
Shervin Talieh 2015	$	-	$	7,500	$	7,500
Shervin Talieh 2016		-		-		-
Robert Young 2015	$	-	$	7,500	$	7,500
Robert Young 2016	$	-	$	-	$	-
Kevin Scott 2015	$	-	$	7,500	$	7,500
Kevin Scott 2016	$	-	$	-	$	-
Meddy Sahebi 2015	$	-	$	-	$	-
Meddy Sahebi 2016	$	-	$	-	$	-
William Maloney 2015	$	-	$	-	$	-
William Maloney 2016	$	-	$	-	$	-
Juha Rouvinen 2015	$	-	$	-	$	-
Juha Rouvinen 2016	$	-	$	-	$	-
Daniel Elliott 2015	$	-	$	-	$	-
Daniel Elliott 2016	$	-	$	-	$	-
Erin Falconer 2015	$	-	$	-	$	-
Erin Falconer 2016	$	-	$	-	$	-

(1) This column represents the amount of cash compensation earned in fiscal years 2016, and 2015 for Board and committee service.

(2) This column represents the grant date fair value of restricted share awards granted in fiscal years, 2016, and 2015 in accordance with FASB ASC Topic 718. The grant date fair value of restricted share unit awards is the closing price of our common stock shares on the date of grant.

Change of Control and Termination Provisions

We currently have stock options issued and outstanding to our non-employee directors to purchase 2,550,000 shares of our common stock @ $.03 per shar . In the event of a dissolution or liquidation of the company or if we are acquired by merger or asset sale or in the event of other change of control events , no acceleration of the termination of any of the restrictions applicable to Restricted Shares, Restricted Stock Unit Awards, Options or Stock Appreciation Rights as defined in the 2011 Plan shall occur in the event of a change in control, unless otherwise provided by our Board of Directors or committee thereof, in such grant.

EXECUTIVE OFFICERS AND DIRECTORS

The names, ages and positions of our executive officers and Directors as of December 31, 2016 are as follows:

Name	Age	Position
Kambiz Mahdi	52	Chief Executive Officer and Member of Board of Directors
John Bennett	56	Chief Financial Officer and Member of Board of Directors
Robert Young	63	Director
Kevin Scott	53	Director
Meddy Sahebi	61	Chairman
William Maloney	57	Director
Juha Rouvinen	50	Director
Daniel Elliott	45	Director
Erin Falconer	41	Director

We added 4 additional board members in 2015

The biographies of our directors can be found on page 55 in this Annual Report under the heading entitled " ***Our Directors*** "

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

We believe that the quality, skills and dedication of our executive officers are critical factors affecting the company's performance and shareholder value. Accordingly, the key objective of our compensation programs is to attract, retain and motivate superior executive talent while maintaining an appropriate cost structure. In addition, our compensation programs are designed to link a substantial component of our executives' compensation to the achievement of performance goals that directly correlate to the enhancement of shareholder value. Finally, our compensation programs are designed to have the right balance of short and long-term compensation elements to ensure an appropriate focus on operational objectives and the creation of long-term value.

To accomplish these objectives, the Board of Directors has structured our compensation programs to include the following key features and compensation elements:

- base salaries, which generally are set below the median of our peer group companies and take into consideration the Company's cash flow and revenues;

- equity-based compensation, which aligns our executives' interests with those of our shareholders and promotes executive retention; and

- in most cases, both our performance-based and service-based restricted share units will provide for vesting over four years, thereby promoting the enhancement of long-term shareholder value and executive retention.

The Board also generally seeks to compensate its executives through determinable base cash salaries that are sensitive to the company's cash resources but that also provide for motivational incentive and maintain continuity of management.

The Board seeks to maintain a balance among fixed and variable compensation, cash and equity, and annual and longer-term incentive compensation to mitigate the risk arising from any element of compensation.

Compensation Committee

We currently do not have a standing compensation committee of our Board of Directors at the current time, which is again due to the size of our operations. As our company grows, we plan to establish a compensation committee to address this specific area. The functions of a compensation committee are currently being performed by our Seven-member Board.

Independent Consultants and Advisors

The Board has the authority to retain and terminate any independent, third-party compensation consultants and to obtain advice and assistance from internal and external legal, accounting and other advisors. During our 2011 fiscal year, the Board engaged the EMCI/Hanover Group ("EMCI"), an independent third-party, as its independent adviser for certain executive compensation matters. EMCI was retained by the Board to provide an independent review of the company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. More specifically, EMCI furnished the Board with letter reporting on the fairness of the employment contracts entered into with our chief executive officer and chief financial, which he reported as both fair and necessary to provide for continuity of management, motivational incentive and economic reward, given the progress of the company for the last two fiscal years. The company paid EMCI $1,000.00 for its consulting services related to the above mentioned advisory services.

Role of Executive Officers in Compensation Decisions

Since our Board is composed of our chief executive officer and our chief financial officer, our executives are directly involved in all facets of our compensation structure and in the implementation of the long-term executive agreements entered into with our chief executive officer and our chief financial officer. However, in determining the fairness, which took into account the company's revenue growth and the benefit to our shareholders in providing continuity of management at this critical stage in the company's growth makes, the considerations and recommendations of the five independent Board members..

Fiscal Year 2015 and 2016 Executive Compensation

Summary of Fiscal Year 2015 and 2016 Compensation Decisions

In 2012, the Company achieved significant growth in revenue, as well as in adjusted and GAAP operating income, net income and earnings per share. We realized strong revenue growth across all of our market segments, maintaining a diversified and balanced business portfolio. As a result of the company's excellent performance in fiscal year 2011, we decided in 2011 to enter into long-term employment agreement with our CEO and CFO to ensure continuity of management. On October 1, 2015 we entered into a new 2-year employment contract with Kambiz Mahdi our CEO.

Elements of Compensation

We may allocate compensation among the following components for our named executive officers:

- base salary;
- annual incentive bonus awards;
- performance-based and service-based stock incentive awards;
- performance based deferred compensation; and
- other benefits.

As discussed above, a key element of our compensation philosophy is that a significant portion of executive compensation is comprised of long-term elements that encourage our executives to stay with the company, which we believe provides for a stable working environment that ultimately benefits our shareholders

Other Benefits

Executive officers are eligible to participate in all of the company's employee benefit plans, such as medical, dental, vision, group life, disability, and accidental death and dismemberment insurance, in each case on the same basis as other employees, subject to applicable law.

Termination and Change of Control Arrangements

Our CEO and CFO are entitled to certain termination and change of control benefits under their employment agreements. These benefits are described and quantified under the section entitled " ***Executive Compensation—Potential Payments Upon Termination or Change of Control.*** "

Compensation Risk Assessment

With the assistance of EMCI, the Board reviewed our compensation policies and practices and determined that our compensation programs do not encourage excessive or inappropriate risk-taking. While, a majority of the Board is comprised of our executive officers, the Board believes that the design and mix of our compensation programs appropriately encourage our executive and senior officers to focus on the creation of long-term shareholder value. In its review, the Board noted the following features:

- base salaries, which generally are set below the median of our peer group companies and take into consideration the Company's cash flow and revenues;

- equity-based compensation, which aligns our executives' interests with those of our shareholders and promotes executive retention; and

- in most cases, both our performance-based and service-based restricted share units will provide for vesting over four years, thereby promoting the enhancement of long-term shareholder value and executive retention.

Family Relationship

We currently do not have any officers or directors of our Company who are related to each other.

Involvement in Certain Legal Proceedings

During the past ten years no director, executive officer, promoter or control person of the Company has been involved in the following:

(1) A petition under the Federal bankruptcy laws or any state insolvency law which was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

i. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

ii. Engaging in any type of business practice; or

iii. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

(4) Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;

(5) Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

(6) Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

(7) Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

i. Any Federal or State securities or commodities law or regulation; or

ii. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

(8) Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Compliance with Section 16(a) of the Exchange Act

We do not yet have a class of equity securities registered under the Securities Exchange Act of 1934, as amended. Hence, compliance with Section 16(a) thereof by our officers and directors is not required.

Item 11. Executive Compensation.

The following table sets forth the fiscal year 2013, 2014, 2015 and 2016 compensation for:

- Kambiz Mahdi, our Chief Executive Officer; and
- John Bennett, our Chief Financial Officer

The executive officers included in the Summary Compensation Table are referred to in this form 10K as our named executive officers. A detailed description of the plans and programs under which our named executive officers received the following compensation can be found in the section entitled " ***Compensation Discussion and Analysis*** ."

		Salary	Bonus	Stock Awards	Option Awards	Non-equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total
Name and Principal Position	**Year**	($)	($)(3)	($)(4)	($)	($)	($)		($)
Kambiz Mahdi (1)	2015	$178,836	$ -	$7,500	$ -	$ -	$ -	$ -	186,336
Chief Executive Officer	2016	$195,000	$ -	$ -	$ -	$ -	$ -	$ -	169,363
John Bennett (2)	2015	$126,758	$ -	$27,500	$ -	$ -	$ -	$ -	154,258
Chief Financial Officer	2016	$80,000	$ -	$ -	$ -	$ -	$ -	$ -	74,821

Summary Compensation Table

1) On October 1, 2015, we entered into a new employment agreement with Mr. Mahdi for 2 years with an annual salary of $275,000 In 2015 Mr. Mahdi was paid total salary of $178,836. In 2015 and 2016 Mr. Mahdi received $7,500 and $0 respectively in the form of Common stock for his service on the Board of directors. In 2016 Mr. Mahdi was paid $169,363 and is still due $116,210 from 2016 due to lack of capital. Mr. Mahdi is owed a total of $121,284 in past due salaries.

2) In 2015 Mr. Bennett took a 10% pay cut from $140,000 to $126,000. In addition, in 2015 and 2016, Mr. Bennett received $7,500 and $0 in the form of Common stock for his service on the Board of directors. In addition, in 2015 Mr. Bennett received $20,000 in the form of Common stock per his employment agreement. In 2016 Mr. Bennett was paid $74,821 and is still due $64,283 from 2016 due to lack of capital. Mr. Bennett is owed a total of $72,274 in past due salaries.

3) There were no bonuses paid or accrued for any executives for fiscal years 2014, 2015 and 2016.

4) Mr. Bennett was issued an option to purchase 30,000 shares of our common stock on February 8, 2007 at $1.73 under our 2006 Plan and an option to purchase 30,000 shares of our common stock at $.33 per share on February 28, 2008. Both option grants expired on February 08, 2017. As of December 31, 2016, Mr. Bennett has not exercised his option grants.

Outstanding Equity Awards at 2016 Fiscal Year-End

The following table presents information about outstanding options and stock awards held by our named executive officers as of December 31, 2016.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#) (1)	Number of Securities Underlying Unexercised Options Unexercised (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Kambiz Mahdi	—	—	—	—	—	—	—	—
John Bennett	30,000	—	$1.73	February 8, 2017	—	—	—	—
	30,000	—	.333	February 8, 2017	—	—	—	—

(1) Mr. Bennett was issued an option to purchase 30,000 shares of our common stock on February 8, 2007 at $1.73 under our 2006 Plan and an option to purchase 300,000 shares of our common stock on February 28, 2008. Both option grants expire on February 08, 2017. As of December 31, 2016, Mr. Bennett has not exercised his option grants.

The company has adopted the use of Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" (SFAS No. 123R) (now contained in FASB Codification Topic 718, *Compensation-Stock Compensation*), which supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and its related implementation guidance and eliminates the alternative to use Opinion 25's intrinsic value method of accounting that was provided in Statement 123 as originally issued. This Statement requires an entity to measure the cost of employee services received in exchange for an award of an equity instruments, which includes grants of stock options and stock warrants, based on the fair value of the award, measured at the grant date, (with limited exceptions). Under this standard, the fair value of each award is estimated on the grant date, using an option-pricing model that meets certain requirements. We use the Black- Scholes option-pricing model to estimate the fair value of our equity awards, including stock options and warrants. The Black-Scholes model meets the requirements of SFAS No. 123R; however, the fair values generated may not reflect their actual fair values, as it does not consider certain factors, such as vesting requirements, employee attrition and transferability limitations. The Black-Scholes model valuation is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We estimate the expected volatility and estimated life of our stock options at grant date based on historical volatility; however, due to the thinly traded nature of our stock, we have chosen to use an average of the annual volatility of like companies in our industry. For the "risk-free interest rate", we use the Constant Maturity Treasury rate on 90 day government securities. The term is equal to the time until the option expires. The dividend yield is not applicable, as the company has not paid any dividends, nor do we anticipate paying them in the foreseeable future. The fair value of our restricted stock is based on the market value of our free trading common stock, on the grant date calculated using a 20 trading day average. At the time of grant, the share based-compensation expense is recognized in our financial statements based on awards that are ultimately expected to vest using historical employee attrition rates and the expense is reduced accordingly. It is also adjusted to account for the restricted and thinly traded nature of the shares. The expense is reviewed and adjusted in subsequent periods if actual attrition differs from those estimates.

We re-evaluate the assumptions used to value our share-based awards on a quarterly basis and if changes warrant different assumptions, the share-based compensation expense could vary significantly from the amount expensed in the past. We may be required to adjust any remaining share-based compensation expense, based on any additions, cancellations or adjustments to the share based awards. The expense is recognized over the period during which an employee is required to provide service in exchange for the award, the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. For the years ended December 31, 2016 and 2015, we had $0 in non-vested expense to be recognized.

Executive Employment Agreements

On September 1, 2011, the Board approved long-term executive employment agreements with our Chief Executive Officer, Kambiz Mahdi and Chief Financial Officer John Bennett, for a period of five years from execution, unless terminated earlier pursuant to the terms of their respective agreements.

Mr. Mahdi will receive an annual compensation of $150,000 per year, subject to annual increases based on the greater of the consumer price index or 5.0% to take into account annual cost of living increases and also subject to such increases as may from time to time be determined by the Board of the Directors of the Company. In addition, Mr. Mahdi will receive a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Mahdi would have been entitled to receive through the remainder or the Employment Period or two (2) years, whichever is greater. On October 1, 2015 we entered into a new employment agreement with Mr. Mahdi for 2 years with an annual salary of $275,000. In addition, Mr. Mahdi will receive a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Mahdi would have been entitled to receive through the remainder or the Employment Period or (1) year, whichever is greater.

Mr. Bennett will receive an annual compensation of $140,000 per year, subject to annual increases based on the greater of the consumer price index or 5.0% to take into account annual cost of living increases and also subject to such increases as may from time to time be determined by the Board of the Directors of the Company. Additionally, Mr. Bennett will receive $40,000, payable in 800,000 shares of the company's common stock at $.05 per share, as a retention bonus. The shares will be issued at the rate of 100,000 shares per quarter, on the 15th day of each quarter, commencing on September 15, 2011 and continuing for the following seven quarters. Mr. Bennett will also receive a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Bennett would have been entitled to receive through the remainder or the Employment Period or two (2) years, whichever is greater.

Potential Payments upon Termination or Change of Control

Severance Benefits

Mr. Mahdi will receive a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Mahdi would have been entitled to receive through the remainder or the Employment Period or One (1) year, whichever is greater.

Mr. Bennett will receive a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Bennett would have been entitled to receive through the remainder or the Employment Period or two (2) years, whichever is greater.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table shows, as of December 31, 2016, the number of shares of our common stock beneficially owned by (1) any person who is known by us to be the beneficial owner of more than 5.0% of the outstanding shares of our common stock; (2) our directors; (3) our named executive officers; and (4) all of our directors and executive officers as a group. The percentage of common stock beneficially owned is based on 155,178,083 shares of our common stock outstanding as of December 31, 2016. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes securities over which a person has voting or investment power and securities that a person has the right to acquire within 60 days.

Name of Beneficial Owners (1)		Number of Shares of Common Stock Beneficially Owned	Percentage
ETI Capital Partners (8)		84,580,323	51%
Cyberfuture One LP		25,830,000	15%
Kambiz Mahdi (2) and (12) Director		6,866,000	4%
Luxus Micro Cap, SA. (7) Forner Director		4,400,000	3%
John Bennett (3) Director		1,359,200	1%
Shervin Talieh (4) Former Director		400,000	0%
Kevin Scott		150,000	0%
Robert Young (5) Director		400,000	0%
Meddy Sahebi – Director (9)		-	0%
William Maloney – Director (10)		-	0%
Juha Rouvinen – Director (11)		-	0%
Daniel Elliott – Director		-	0%
Erin Falconer - Director		-	0%
All directors and officers as a group (5 persons)		123,910,523	84%
Total Outstanding 12/31/2016	155,178,083		

(1) The address of each beneficial owner listed is c/o Clean Energy Technologies, Inc., Board of Directors, 2990. Redhill Ave, Costa Mesa, California 92626.

(2) The shares of common stock are held directly by the Kambiz and Bahareh Mahdi Living Trust and indirectly by Kambiz Mahdi and Bahareh Mahdi as Trustees. In 2015 and 2016 Mr. Mahdi received 150,000 and 0 respectively in the form of Common stock for his service on the Board of directors.

(3) On March 18, 2011, Mr. Bennett purchased 102,092 shares of Probe Manufacturing, Inc. (the "Company") from Barrett Evans, the former CEO and chairman of the Company in a private transaction for $5,000, or $0.048 per share. In addition, on June 26, 2011, Mr. Bennett was granted 100,000 shares of the Company's common stock as additional compensation for his employment with the Company for the year ended December 31, 2012. In addition, Mr. Bennett was issued an option to purchase 30,000 shares of our common stock on February 8, 2007 at $1.73 under our 2006 Plan and an option to purchase 300,000 shares of our common stock on February 28, 2008. Both option grants expire on February 08, 2017. As of December 31, 2016, Mr. Bennett has not exercised his option grants. Pursuant to Mr. Bennett's employment contract with the Company, he was granted 400,000 shares in 2014 and 400,000 in 2015. He was also granted 100,000 shares for Board of director fees 2014 and 150,000 shares in 2015.

(4) Shervin Talieh resigned as a member of the board of directors on December 23, 2015.

(5) Robert Young was appointed to serve as a member of the issuer's board of directors to fill a vacancy on the board on June 11, 2012. Mr. Young purchased the shares of the issuer in regular open market transaction. In 2015, 2014 Mr. Young received 150,000 shares, 150,000 shares and 100,000 shares respectively in the form of Common stock for his service on the Board of directors.

(6) Kevin Scott was appointed to serve as a member of the issuer's board of directors to fill a vacancy on the board on February 1, 2015 In 2015, Kevin Scott received 150,000 shares, in the form of Common stock for his service on the Board of directors. On June 7, 2016, Mr. Kevin Scott, resigned as a Director of the Company. Mr. Scott's resignations was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

(7) Finn-Partners, Inc. acquired 30,000,000 from the Bijan and Sima Israel Family Trust in a private sale transaction pursuant to a Stock Purchase Agreement dated October 24, 2012, in compliance with Section 4(1) of the Securities Act of 1933, as amended. Finn-Partners, Inc. also acquired 600,000 through regular open-market transactions. FINN AKA LUXUS converted a promissory note for 120K shares on May 10, 2013. On September 4, 2014 we issued 729,167 shares of common stock to Luxus Micro Cap S.A. for conversion of accrued interest under the series D preferred stock. Finn Partners resigned from the Board on October 12, 2015

(8) ETI Partners IV LLC ("P-IV") is a private investment company organized as a Delaware limited liability company, with its principal offices c/o Energy Technology Innovations, Inc., 901 Washington Boulevard, Suite 208, Marina Del Rey, CA 90292. Energy Technology Innovations, Inc. is the Manager of P-IV. Mr. Meddy Sahebi is the President of Energy Technology Innovations, Inc.

[**Note** : This ties to an ownership report of 99,910,321 shares of CETY – P-IV privately disposed of 1,000,000 shares to a non-affiliate, so it now holds only 99,910,321 shares.]

(9) Mr. Sahebi may be deemed indirectly to beneficially own 17,000,000 shares of common stock through his ownership interest in P-IV. P-IV is the beneficial owner of 99,910,321 shares of common stock. Mr. Sahebi, is the President of Energy Technology Innovations, Inc., which is the Manager of P-IV. As President of the Manager of P-IV, Mr. Meddy Sahebi may be deemed to be the indirect beneficial owner of 99,910,321 shares of common stock beneficially owned by P-IV.

(10) Mr. Maloney may be deemed indirectly to beneficially own 7,560,321 shares of common stock through his ownership interest in P-IV. Mr. Maloney does not have the power to vote or direct the vote or dispose or direct the disposition of any shares of common stock.

(11) Mr. Rouvinen may be deemed indirectly to beneficially own 10,000,000 shares of common stock through his ownership interest in P-IV. Mr. Rouvinen does not have the power to vote or direct the vote or dispose or direct the disposition of any shares of common stock.

(12) Includes 16,000,000 shares of common stock as to which Mr. Mahdi may be deemed to have indirect beneficial ownership through his ownership interest in P-IV. Mr. Mahdi's ownership interest in P-IV is subject to repurchase by P-IV for nominal consideration over a four-year vesting period based on his continued service to the Company. The repurchase right lapses as to one-fourth of Mr. Mahdi's ownership interest in P-IV on each of the first through fourth anniversaries from October 1, 2015. Mr. Mahdi does not have the power to vote or direct the vote of any of such shares of common stock as to which he may be deemed to have indirect beneficial ownership.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Director Independence

We have a seven-member Board of Directors. Due to the size of our company and the difficulty in finding directors that have experience in our industry, five of our directors can be deemed an "independent directors."

While our stock is not listed on the New York Stock Exchange, our independent directors would qualify as independent under the rules of the New York Stock Exchange.

Review of Related Person Transactions

Our Code of Business Conduct and Ethics provides guidance for addressing actual or potential conflicts of interests, including those that may arise from transactions and relationships between us and our executive officers or directors, such as:

- Business transaction between the company and any executive are prohibited, unless otherwise approved by the Board;
- Activities that may interfere with an executive's performance in carrying out company responsibilities;
- Activities that call for the use of the company's influence, resources or facilities; and
- Activities that may discredit the name or reputation of the company.

We have various procedures in place to identify potential related person transactions, and the Board of Directors and a separate compliance committee work together in reviewing and considering whether any identified transactions or relationships are covered by the Code of Business Conduct and Ethics. A copy of the company's Code of Business Conduct and Ethics on the Corporate Governance is on our website at *http://CETY.io/* .

Transactions with Related Persons

Kambiz Mahdi, our Chief Executive Officer, owns Billet Electronics, which is an independent distributor of electronic components. From time to time we purchase parts from Billet Electronics. In addition Billet was a supplier of parts and had dealings with current and former customers of our company. Our board of directors has approved such transactions of our chief executive officer.

On November 15, 2014, we issued 400,000 shares of common stock to John Bennett, our Chief Financial Officer, as additional compensation and accrued for 100,000 shares for board of director compensation at $.05 per share.

On September 11, 2015, we issued 400,000 shares of common stock to John Bennett, our Chief Financial Officer, as additional compensation at $.05 per share.

On September 11, 2015, we issued 150,000 shares of common stock for board of director compensation to Kam Mahdi our Chief Executive officer at $.05 per share.

On September 11, 2015 we issued 150,000 shares of common stock for board of director compensation to Robert Young at $.05 per share.

On September 11, 2015 we issued 150,000 shares of common stock for board of director compensation to Shervin Talieh at $.05 per share.

On September 11, 2015 we issued 150,000 shares of common stock and accrued for 150,000 shares of common stock for board of director compensation to Kevin Scott at $.05 per share.

On September 11, 2015 we issued 150,000 shares of common stock shares of common stock for board of director compensation to Juhani Taskinen at $.05 per share.

On September 11, 2015 we issued 150,000 shares of common stock shares of common stock for board of director compensation to John Bennett our Chief Financial Officer at $.05 per share.

On August 7, 2013, we held our initial closing of our Series D Preferred Stock private financing offering with two related parties, whereby we received $750,000 in financing. Our Series D Preferred Stock offering terms allow us to raise up to $1,000,000 US with an over-allotment of $500,000 in multiple closings over the course of 6 months.

The following are primary terms of the Series D Preferred Stock Offering. The Series D Preferred holders will be paid a special monthly divided at the rate of 17.5% per annum or at the option of the Investor such special may accrue such special dividends. If the Company does not pay the special dividend within five (5) business days from the end of the calendar month for which the payment of such dividend to owed, the Company will pay the investor a penalty of 3.5%. Any unpaid or accrued special dividends will be paid upon a liquidation or redemption. For any other dividends or distributions, participation with common stock on an as-converted basis. The Series D Preferred holders may elect to convert the Series D Preferred Stock, in his sole discretion, at any time after a one year (1) year holding period, by sending the Company a notice to convert. The conversion rate shall equal to the greater of $0.08 or a 20% discount to the average of the three (3) lowest closing market prices of the common stock during the ten (10) trading day period prior to conversion. The Series D Preferred shall be redeemable from funds legally available for distribution at the option of the individual holders of the Series D Preferred commencing any time after the one (1) year period from the Closing (the "Redemption Period") at a price equal to the Purchase Price plus all accrued but unpaid dividends. If Company is not in financial position to pay it back it need to notify the Investors thirty (30) days prior the Redemption Period commencing and both parties will negotiate in good faith for an extension of the Redemption Period. Notwithstanding, the Company may elect to redeem the Series D Preferred shares any time after the Closing at a price equal to Purchase Price plus all accrued but unpaid dividends subject to the Investors right to convert by providing the Investors written notice about its intent to redeem whereby the Investor shall have the right to convert per the terms of the conversion terms at least ten (10) days prior to such redemption by the Company.

On June 25th, 2013 we received $500,000 from a related party and issued 5,000 shares of Preferred Series D Preferred stock.

On September 8, 2015 the investors signed an estoppel agreement, whereby the investors agreed to reduce, (effective as of June 30, 2015), the dividend rate on the Series D Preferred Stock to six percent per annum and to terminate the penalty provided for in the IAs in respect of unpaid dividends accruing on or after such date.

On September 19th 2013 we received $250,000 from a related party and issued 2,500 shares of Preferred Series D Preferred stock. On September 8, 2015 the investors signed an estoppel agreement, whereby the investors agreed to reduce, (effective as of June 30, 2015), the dividend rate on the Series D Preferred Stock to six percent per annum and to terminate the penalty provided for in the IAs in respect of unpaid dividends accruing on or after such date.

Item 14. Principal Accounting Fees and Services.

The aggregate fees billed to us by our principal accountant for services rendered during the fiscal years ended December 31, 2016 and December 31, 2015 are set forth in the table below:

Services:	2016	2015
Audit Fees (1)	$ 62,846	$ 49,813
Audit Related Fees (2)	1,400	1,200
Tax Fees (3)	1,500	1,500
Total	$ 52,513	$ 47,202

(1) Audit fees billed in 2015 and 2016 consisted of fees related to the audit of our annual financial statements, reviews of our quarterly financial statements, and statutory and regulatory audits, consents and other services related to filings with the SEC.

(2) Audit-related fees related to financial accounting and reporting consultations, assurance and related services.

(3) Tax services consist of tax compliance and tax planning and advice.

The Board of Directors pre-approves all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by our independent registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(b) of the Exchange Act and the rules and regulations of the SEC. All services rendered by our principal auditor for the years ended December 31, 2016 and 2015 were pre-approved in accordance with the policies and procedures described above.

Auditor Independence

The Board of Directors has considered whether the provision of the above noted services is compatible with maintaining our independent registered public accounting firm's independence and has concluded that the provision of such services has not adversely affected the independent registered public accounting firm's independence.

Board of Directors Audit Report to Shareholders

Since we do not have a standing Audit Committee our full Board of Directors oversees our financial reporting process. Our management has the primary responsibility for our financial statements as well as our financial reporting process, principles and internal controls. The independent registered public accounting firm is responsible for performing an audit of our financial statements and expressing an opinion as to the conformity of such financial statements with accounting principles generally accepted in the United States of America.

In this context, the Board of Directors has reviewed and discussed our audited financial statements as of December 31, 2016 and December 31, 2015 with management and the independent registered public accounting firm. The Board of Directors has discussed with the independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 61, *Professional Standards* , as amended. In addition, the Board of Directors has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees* , as currently in effect, and it has discussed their independence with us.

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) *Financial Statements:*

The consolidated financial statements and the related notes are included in Item 8 herein.

(a)(2) *Financial Statement Schedule:*

All schedules have been omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or related notes.

(a)(3) *Exhibits:*

The exhibits listed on the Exhibit Index (following the signatures section of this report) are included, or incorporated by reference, in this annual report.

(b) *Exhibits:*

See Item 15(a)(3) above.

(c) *Financial Statement Schedule:*

All schedules have been omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or related notes.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Costa Mesa, State of California on the 17th day of April, 2017.

Clean Energy Technologies, Inc.

____
REGISTRANT

/s/ Kambiz Mahdi

____
By: Kambiz Mahdi
Chief Executive Officer

Date: April 17, 2017

/s/ John Bennett

____
By: John Bennett
Chief Financial Officer

Date: April 17, 2017

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

Signature	Title
/s/ Kambiz Mahdi ______________________ By: Kambiz Mahdi	Chief Executive Officer and Director (principal executive officer)
Date: April 17, 2017	
/s/ John Bennett ______________________ By: John Bennett	Chief Financial Officer and Director (principal financial officer)
Date: April 17, 2017	

/s/Robert Young Robert Young – Director	Dated: April 17, 2017	*/s/ Juha Rouvinen* Juha Rouvinen – Director	Dated: April 17, 2017
/s/Meddy Sahebi Meddy Sahebi – Director	Dated: April 17, 2017	*/s/ William Maloney* William Maloney – Director	Dated: April 17, 2017
		/s/ Erin Falconer Erin Falconer – Director	Dated: April 17, 2017

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED

PURSUANT TO SECTION 15(d) OF THE EXCHANGE ACT BY NON-REPORTING ISSUERS

1. No annual report to security holders covering the company’s last fiscal year has been sent as of the date of this report.
2. No proxy statement, form of proxy, or other proxy soliciting material relating to the company’s last fiscal year has been sent to any of the company’s security holders with respect to any annual or other meeting of security holders.
3. If such report or proxy material is furnished to security holders subsequent to the filing of this Annual Report on Form 10-K, the company will furnish copies of such material to the Commission at the time it is sent to security holders.

EXHIBIT INDEX

Pursuant to Item 601(a)(2) of Regulation S-K, this Exhibit Index immediately precedes the exhibits.

The following exhibits are included, or incorporated by reference; in this Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (and are numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT NUMBER	DESCRIPTION

3.1 Articles of Incorporation (included as exhibit 3.1 to the Form SB-2/A filed on June 10, 2005 and incorporated herein by reference).

3.2 Bylaws (included as exhibit 3.2 to the Form SB-2/A filed on June 10, 2005 and incorporated herein by reference).

14.1 Code of Ethics (included as exhibit 14.1 to the Form 10-KSB on April 5, 2007 and incorporated herein by reference).

21.1* List of Subsidiaries

31.1* Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1** Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.1** Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS** XBRL Instance Document

101.SCH** XBRL Taxonomy Extension Schema Document

101.CAL** XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB** XBRL Taxonomy Extension Label Linkbase Document

101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF** XBRL Taxonomy Extension Definition Linkbase Document

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* Filed herewith

** Furnished herewith

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kambiz Mahdi, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Probe Manufacturing, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant ' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant ' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant ' s internal control over financial reporting that occurred during the registrant ' s most recent fiscal quarter (the registrant ' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant ' s internal control over financial reporting; and

5. The registrant ' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant ' s auditors and the audit committee of the registrant ' s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant ' s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant ' s internal control over financial reporting.

Date: April 27, 2017

By: /s/ KAMBIZ MAHDI
Kambiz Mahdi,
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John Bennett, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Probe Manufacturing, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant ' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant ' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant ' s internal control over financial reporting that occurred during the registrant ' s most recent fiscal quarter (the registrant ' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant ' s internal control over financial reporting; and

5. The registrant ' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant ' s auditors and the audit committee of the registrant ' s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant ' s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant ' s internal control over financial reporting.

Date: April 27, 2017

By: /s/ JOHN BENNETT
John Bennett,
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Probe Manufacturing, Inc. (the " Company ") hereby certifies, to his knowledge, that:

(i) the accompanying Annual Report on Form 10-K/A of the Company for the year ended December 31, 2016 (the " Report ") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 27, 2017	By: /s/ Kambiz Mahdi
Date	Kambiz Mahdi
	Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Probe Manufacturing, Inc. (the " Company ") hereby certifies, to his knowledge, that:

(i) the accompanying Annual Report on Form 10-K/A of the Company for the year ended December 31, 2016 (the " Report ") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 27, 2017	By: /s/ John Bennett
Date	John Bennett
	Chief Financial Officer