

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

FORM 10-KSB/A

(Mark One)

☒ Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended **December 31, 2004**.

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 (*No fee required*) for the transition period from _____ to _____.

Commission file number: **001-14791**

SOLAR ENERGY LIMITED

(Name of Small Business Issuer in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

74-2837828

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

145-925 West Georgia Street, Vancouver, British Columbia V6C 3L2

(Address of Principal Executive Offices)

(Zip Code)

(604) 669-4771

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(g) of the Exchange Act:

Title of Class

Common Stock (0.0001 par value)

Check whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and if no disclosure will 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-KSB/A or any amendment to this Form 10-KSB/A .

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

The registrant's total consolidated revenues for the year ended December 31, 2004 were \$0.

The aggregate market value of the registrant's common stock, (the only class of voting stock), held by non-affiliates was approximately \$9,501,651 based on the average closing bid and asked prices for the common stock on January 24, 2006.

On January 25, 2006, the number of shares outstanding of the registrant's common stock, \$0.0001 par value (the only class of voting stock), was 13,921,275.

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Explanatory Note

This Form 10-KSB/A has been amended to restate the registrant's audited financial information for the period ended December 31, 2004. The financial statements filed with the initial Form 10-KSB by the registrant included a prior reported gain on the sale of a subsidiary that should have been deferred as unrealized and a prior reported receivable that has since been adjusted to zero. The restated financial statements filed hereby reflect these corrections.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

General

As used herein the term “Company” refers to Solar Energy Limited, a Delaware corporation and its subsidiaries and predecessors, unless the context indicates otherwise. Solar Energy Limited is a research and development company engaged in the development of cost effective solutions to global issues concerning the application of renewable sources of energy that are safe for the environment.

The Company was incorporated under the laws of the State of Delaware as Taurus Enterprises, Inc. on January 5, 1994, and re-incorporated in Nevada on August 20, 1996 as Salvage World, Inc. On December 17, 1997, the Company effected a Plan of Reorganization and Merger of Salvage World, Inc. into Solar Energy Limited, a private Delaware Corporation, the effect of which merger changed the name of the Company and moved its place of incorporation from Nevada to Delaware. The reorganization also involved the acquisition of Hydro-Air Technologies, Inc. ("HAT") initially as a wholly-owned subsidiary.

The Company's principal place of business is located at 145-925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2 and its telephone number is (604) 669 4771. The Company's registered statutory office is located at The Company Corporation 2711 Centerville Road, Wilmington, Delaware 19808.

The Company currently trades on the Over the Counter Bulletin Board under the symbol “SLRE.OB”.

Description of Business

Since 1997 the Company has focused on the development of cost-effective solutions for global issues related to water, energy and pollution. The primary thrust of that focus has been in connection with the development of new and renewable energy sources that can compete with traditional energy sources without threatening the environment. All of the Company's operations to date have been concentrated on research and development activities involving the use of solar energy, water and increasing engine efficiencies. However, despite the Company's efforts, it is yet to make available any commercial application of the technologies under development. Further, the Company has had difficulty obtaining the capital required to continue research and development or build full-scale working prototypes for its existing projects and thus has let licensing agreements lapse. Consequently, the Company has had to consider alternatives for capital raising that might fund future development of existing technologies and enable the Company to evaluate new technologies for acquisition that might be synergistic with its focus.

HAT (HARPS and ACES)

The Company first research and development efforts were based on the acquisition of Hydro-Air Technologies, Inc. ("HAT") from its founders which included Dr. Melvin Prueitt, who was formerly associated with the Los Alamos Laboratories. HAT had certain intellectual property rights which the Company intended to develop for the purpose of generating commercially viable electrical power using the energy generated by the heat of the evaporation of water. The intellectual property rights were known as Hydro-Air Renewable Power System (“HARPS”) which includes two U.S. Patents, one granted on September 3, 1996 (number 5,551,238) and a second granted on July 28, 1998 (number 5,784,886), and Air Conditioner Energy System (“ACES”) which includes a U.S. Patent (and International filings) granted December 28, 1999 (number 6006538).

Unfortunately, the HARPS and ACES projects proved difficult to develop working prototypes causing further development to be abandoned. Nonetheless, the preliminary work and experiments done and the test results generated from both HARPS and ACES have proven useful to derivative projects that the Company expects are more likely to become commercially viable.

HAT (SOLAWATT)

HAT is also responsible for the development of the Company's SOLAWATT (the production of electricity from solar energy) project. SOLAWATT is the name for the Company's unique plastic-film solar collectors, which are placed directly on the ground. The Company's patent application for SOLAWATT (filed under its original and former name SPAESS) is S.N. 09/396,653. Each day there is a significant amount of energy striking the earth from the sun which if harnessed could provide electric power for the planet. PV panels are an excellent way to gather some of this energy, but the problem is that they turn off when the sun goes down. The traditional solar panels and processes have proved to be expensive for the practical production of electric power compared to the economies of electricity made with fossil fuel. SOLAWATT will provide economically produced power from the sun 24 hours per day. The power output decreases at night, but the demand for electricity also decreases at night. On hot summer days when a large amount of electric power is needed to run air conditioners, SOLAWATT performs at its best. SOLAWATT panels, consisting of tough plastic films with appropriate optical properties could conceivably be formed by an automated process in a factory and placed on large rolls. Transported to the field, the panels, which might be several hundred meters in length, can simply be rolled out onto the ground. Channels for water and air are provided in the panels. Insulation on the bottom of the panels is not necessary, since the ground becomes part of the heat energy storage system. Further development of the SOLAWATT had been bound by funding constraints. In 2004 the license agreement was terminated by former director Dr. Melvin Prueitt for failure to pay royalties.

RECO (SOLAREC)

At present, the Company holds a 33% interest in Renewable Energy Limited ("RECO"). The primary asset of RECO is a project called SOLAREC (Solar Reduction of Carbon Dioxide.) This project involves the task of recycling carbon dioxide (CO₂) into fuel using focused ultraviolet and visible light from the sun. One of the goals of the project is to produce automotive fuels using only solar energy and carbon dioxide from the atmosphere creating commercial electricity as a by-product. The stated aim is to make electricity at less than five cents per kilowatt and gasoline at less than \$1.00 per gallon; while, at the same time, reducing carbon dioxide content in the atmosphere. SOLAREC will use only solar energy plus carbon dioxide (CO₂) from the atmosphere to produce a clean usable fuel (gasoline, diesel, etc.) with electricity and oxygen as by products. RECO has also developed three solar driven methods for the environmentally friendly production of hydrogen, utilizing atmospheric or industrially produced CO₂ or coal. The Company continues to believe that SOLAREC has the potential to significantly address today's global energy and pollution problems though research and development has been suspended due to funding considerations. In addition, former director Dr. Reed Jensen has terminated the licensing agreement because of the Company's inability to cure default provisions related to the payment of royalties do to inadequate funding. However, the Company anticipates that RECO will enter into a new license agreement with Dr. Jensen for the development of the SOLAREC technology.

On April 27, 2004, subsequent to the termination of the SOLAREC license agreement between RECO and Dr. Jensen, the Company, through Renewable Energy Corporation (“REEL”), a majority owned subsidiary of the Company, entered into a Stock Purchase Agreement with Los Alamos Renewable Energy LLC (“LARE”), a limited liability company for which two of the Company’s former officers and directors (David Jones and Dr. Jensen) act as managing members. The Agreement entitled LARE to acquire a 66% interest in RECO by subscribing for new shares in RECO for cash and a promissory note in an aggregate amount of \$250,000. The full purchase price has since been paid and REEL is now a minority (33%) interest holder in RECO.

MECH

MECH (Motor, Expander, Compressor, and Hydraulics), another of the Company’s projects developed through HAT is a patent-pending concept for an engine (or compressor). MECH's mission is to design an internal combustion engine having one-third the size of a conventional engine with the same power and 33% greater efficiency. The MECH engine could have a wide variety of applications from vehicles and propeller driven aircraft, to lawn mowers and chain saws. Internal combustion engines have a theoretical efficiency of well over 50%, but the actual efficiency of present-day car engines is only half that number. A large part of the energy loss is due to the sliding friction of the pistons in the cylinders. The Company has filed a patent application and made a small working prototype of MECH, which substitutes rolling friction for sliding friction in an internal combustion engine. The MECH concept can be adapted to an internal combustion engine, gas expander, compressor and hydraulic pump or hydraulic motor. Although the Company believes that the MECH’s technology has been proven to have commercial possibilities, research and development has been postponed due to inadequate funding. In addition, the license agreement has been terminated by former director Dr. Melvin Prueitt because of the Company’s inability to cure default provisions related to the payment of royalties.

Sunspring (H2ONOW)

Sunspring, Inc., a wholly owned subsidiary of the Company, was formed in 2000 to advance the Company’s patent pending process known as “H2ONOW”. This project addresses what is arguably the globe's most significant problem of producing clean, potable water that is also inexpensive enough for agricultural purposes. H2ONOW is intended to minimize the cost of energy using solar collectors attached to a transducer to collect and store the solar energy used to power a reverse osmosis system. The Company’s aim with H2ONOW is to produce water at a cost of less than 50 cents per 1000 gallons, or 13 cents per cubic meter. The H2ONOW technology uses solar energy along with seawater to produce potable water. Unfortunately, the development of the H2ONOW project had been in abeyance pending funding and then the license agreement was terminated by former director Dr. Melvin Prueitt for the Company’s inability to pay royalties.

Pending Agreements and Offers to Purchase

The Company is keenly aware of the potential of its technologies but remains frustrated by inadequate funding. Despite aggressive attempts to effectively fund further research and development through equity placements or joint ventures within the renewable energy and low cost potable water industries, the Company has been unable to acquire the requisite capital.

Thus, the Company is considering alternative means of funding its research and development and is seeking to identify a favorable business opportunity for the Company’s shareholders without limiting its search to any particular industry. Instead, the Company is evaluating each opportunity based on its merits. The decision to participate in a specific business opportunity is and will be made upon a Company analysis of the prospective business using objective criteria.

Tambogrande, Peru

This broadening of scope has led the Company to explore the mining industry as an option for business. The Company has entered into an agreement with Manhattan Minerals Corp. (“Manhattan”) to acquire certain mining and mineral related rights located in the vicinity of Tambogrande, Peru.

The Company intends to acquire two separately classified blocks of mineral claims known as the Tambogrande Property and the Lacones Property, in addition to the assignment of an option agreement to acquire up to seven concessions known as the Papayo Joint Venture (“Peru Properties”). The sale of assets is to include all existing claims, mineral exploration rights, exploration results, consulting work and reports concluded by Manhattan in connection with the Peru Properties. The Company is aware that Manhattan’s interest in the Tambogrande Property and the Papayo Joint Venture are in dispute. Under the Agreement the Company must pay Manhattan an aggregate of \$600,000 by the closing date and assume any and all obligations or liabilities pertaining to the Peru Properties including \$2,367,000 in convertible promissory notes. Manhattan is to retain a 2% net smelter royalty while the Company will have the right to extinguish the net smelter royalty for an aggregate amount of \$2,000,000 in cash or Company shares.

The Agreement remains subject to certain conditions precedent to closing. The precedents include the Company’s satisfaction with documentation related to the Peruvian Properties, obtaining consents from Peruvian authorities to any transfer of title, the approval of the Toronto Stock Exchange to the transaction, and releases from the holders of the promissory note obligations to be assumed by the Company. The closing date for the Agreement will be determined to be coincident to the removal, satisfaction or waiver of the subject clauses.

The Company’s journey into mining was brought about with the appointment of Peter Tsaparas as director. He contributes to the Company considerable experience in managing mining exploration companies and his expertise will be useful in the Peruvian venture.

Planktos

Subsequent to year end, in a step more in line with its “green” image, the Company has reached an agreement to acquire Planktos, Inc. (“Planktos”) as a wholly owned subsidiary. Planktos is a research and development company staffed by scientists and businessmen dedicated to improving the world’s marine environment by focusing on the commercial opportunities attendant to the Kyoto Protocol. The Kyoto Protocol enables companies and governments to offset regulated greenhouse emission restrictions by investing in carbon dioxide (“CO₂”) reduction programs in exchange for certified emission reduction (CRE) credits. CRE credits are traded much like commodities with a current value of approximately ten dollars (\$10.00) per CRE (which represents one ton of CO₂ or equivalent). The Kyoto Protocol became law effective February 16, 2005. The result of the Kyoto legislation will be a rapidly expanding multi billion dollar market for CRE credits. Planktos’ near term commercial objective is to produce CRE credits at a cost that is significantly lower than the current market value of CRE credits utilizing proprietary technology designed to stimulate plankton growth in the world’s oceans as a means by which to sequester CO₂ from the environment.

CO₂ is the main cause of global warming. While there is much Kyoto-like legislation being put forth to slow the increase of CO₂ within the planet's atmosphere, scientists are looking to new methods to combat global warming effectively. Planktos has developed one of these methods. The science behind Planktos is not complicated. Terrestrial forests are typically thought of as the main source of sequestering CO₂, converting it into organic carbon and oxygen. Planktos is looking beyond the land into the world's oceans as they hold most of the world's total biomass, a high percentage of which sequesters CO₂. An important source of oceanic biomass is phytoplankton. Phytoplankton require iron to flourish. However, due climate and vegetation changes, the ocean's iron levels have decreased and since the 1970's and the ocean's phytoplankton has been decreasing at an ever increasing rate. Infusing iron into the world's oceans will increase the plankton count, creating veritable forests in the sea. These "forests" will take CO₂ from the air, convert it into organic carbon, and sink the carbon into the deep ocean, by far the greatest repository of carbon on the planet. Planktos has developed this technology utilizing plankton in the battle against global warming.

The process of stimulating plankton growth and the overall mission of Planktos can be viewed at their website: www.planktos.com.

Description of Industry

Worldwide demand for energy is expected to increase over the next 20 years. The Energy Information Administration of the U.S. Department of Energy estimates that between 2000 and 2020 the United States will need to add approximately 355 gigawatts (one gigawatt is equal to one billion watts) of new electricity capacity to meet projected increased demand. This represents an increase of approximately 40% over present generation capacity. The overwhelming majority of electricity is currently produced using hydrocarbon sources (natural gas, coal, petroleum). However, the total resource base for these fuels is limited, and there is increasing concern about the effect on the ecosystem of fossil fuel extraction and emissions. Volatile prices and environmental and political concerns pertaining to fossil fuels have also increased interest in electricity created using alternative, renewable, clean energy sources. In contrast to hydrocarbon energy resources which, once used, cannot be quickly replaced, renewable energy that flows from natural sources (such as sunlight, wind, and water sources) quickly and continuously replaces itself.

Solar-electric systems are an increasingly attractive source of electricity. According to the Earth Policy Institute report, world-wide production of solar cells was up more than 32% from 2002. In addition, the Institute for Environment and Sustainability, a branch of the European Commission's Joint Research Centre, reported that for 2001 worldwide photovoltaic cell/module production was a \$2.5 billion business, reflecting an average annual growth rate of 30% in the previous five years.

Despite increased interest in the solar energy industry, there have been limited technological breakthroughs that enable solar-generated electricity to compete with hydrocarbon-generated electricity on a cost basis. Although the cost of producing solar energy has decreased during the past 20 years, and solar cell efficiencies have increased, widespread use of solar energy has been hindered by costly manufacturing methods, materials and low industry-wide production capacity.

Government Regulation

The Company's operations are subject to a variety of national, federal, state and local laws, rules and regulations relating to, among other things, worker safety and the use, storage, discharge and disposal of environmentally sensitive materials. However, each one of the Company's projects has been designed to produce environmentally friendly "green" products for which there are no specific environmental regulations.

The Company is in full compliance with the Resource Conservation Recovery Act ("RCRA"), the key legislation dealing with hazardous waste generation, management and disposal. The Company currently produces a very limited amount of chemical waste from its laboratory operations and has engaged a hazardous waste management service, Perma-Fix of New Mexico, Inc., a Notifying Transport, Transfer Station, and Used Oil Marketer (EPA # NM0000182121) to manage the disposal of any hazardous waste. Nonetheless, under some of the laws regulating the use, storage, discharge and disposal of environmentally sensitive materials, an owner or lessee of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in, or emanating from, such property, as well as related costs of investigation and property damage. Laws of this nature often impose liability without regard to whether the owner or lessee knew of, or was responsible for, the presence of hazardous or toxic substances.

The Company believes that it is in compliance in all material respects with all laws, rules, regulations and requirements that affect its business. Further, the Company believes that compliance with such laws, rules, regulations and requirements does not impose a material impediment on its ability to conduct business.

Competition

Efforts to develop new and renewable energy sources that can compete with traditional energy sources without threatening the environment are fragmented and very competitive. The Company competes with a number of companies, both private and public, that are already active in the search for cost-effective applications of renewable energy sources, many of which are substantially larger and better funded than the Company with significantly longer histories of research and development. Examples of larger companies involved in the application of renewable energy sources include the Sharp Corporation, BP Solar, Shell Solar, and Kyocera Corporation, all of which have greater resources to devote to research, development, manufacturing and marketing than the Company. Examples of smaller companies involved in the same research and development activities include Daystar Technologies, Inc., Raycom, Inc. and Global Solar LLC. Therefore, the Company can offer no assurance that it will be successful in competing for commercial solutions with existing and emerging research and development businesses focused on the application of renewable energy sources.

The Company believes that competition in the search for the efficient application of renewable energy sources is based principally on the ability to successfully manage certain practical considerations. Competition revolves around the price of the equipment required to harness the energy as compared with other renewable energy applications and traditional systems, the period required to recover any higher installation or equipment costs from energy savings that might result from operation, the reliability of the system, public acceptance of renewable energy applications and the reputation of the manufacturer. The Company anticipates that projects currently under development can, with future research and development, respond successfully to these considerations.

Further, the Company believes that it has certain distinctive competitive advantages over all or many of its competitors that have enabled it to progress to its current level of technology development. The advantages include the breadth of its approach to applying renewable resources being not limited to one technology, the academic, technical and professional proficiency of its chief project managers, environmental integrity and the willingness of project managers to consider joint venture relationships with third parties to maximize resources in research and development. All of these factors in combination with the dedication of the Company's personnel have enabled it to remain competitive in the search for the efficient application of renewable energy sources despite critical short falls in research and development funding.

Employees

The Company currently has no full time employees. Instead the Company's management relies on the services of consultants, attorneys, and accountants as necessary, to satisfy public disclosure requirements and to pursue the Company's plan of operation.

Reports to Security Holders

The Company's annual report will contain audited financial statements. The Company is not required to deliver an annual report to security holders and will not voluntarily deliver a copy of the annual report to its security holders unless a request is made for such delivery. The Company files all of its required information with the Securities and Exchange Commission ("Commission").

The public may read and copy any materials that are filed by the Company with the Commission at the Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The statements and forms filed by the Company with the Commission have also been filed electronically and are available for viewing or copy on the Commission maintained Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission. The Internet address for this site can be found at <http://www.sec.gov>.

ITEM 2. DESCRIPTION OF PROPERTY

The Company's maintains an office located at 145-925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2. The office facilities consist of approximately 1,107 square feet, for which the Company pays approximately \$1,950 a month. The term of the Company's lease is five years terminating at the end of April in 2009.

ITEM 3. LEGAL PROCEEDINGS

The Company is currently not a party to any pending legal proceeding

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the period covered by this report.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND STOCKHOLDER MATTERS

The Company's common stock is traded on OTC Electronic Bulletin Board under the symbol SLRE.OB.

The table below sets forth the high and low sales prices for the Company's common stock for each quarter of 2004 and 2003. The quotations below reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions:

Year	<u>Quarter Ended</u>	<u>High</u>	<u>Low</u>
<u>2003</u>	March 31	\$0.28	\$0.12
	June 30	\$0.35	\$0.05
	September 30	\$0.46	\$0.26
	December 31	\$0.40	\$0.20
<u>2004</u>	March 31	\$0.33	\$0.18
	June 30	\$0.51	\$0.20
	September 30	\$0.47	\$0.23
	December 31	\$0.47	\$0.16

Record Holders

As of January 25, 2006, there were approximately 238 shareholders of record holding a total of 13,921,275 shares of common stock. The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Dividends

The Company has not declared any cash dividends since inception and does not anticipate paying any dividends in the foreseeable future. The payment of dividends is within the discretion of the board of directors and will depend on the Company's earnings, if any, capital requirements, financial condition, and other relevant factors. There are no restrictions that currently limit the Company's ability to pay dividends on its common stock other than those generally imposed by applicable state law.

Recent Sales of Unregistered Securities

On March 3, 2005 the Company authorized the issuance of 25,000 shares of common stock to Robert Lee valued at \$0.20 per share in a private placement, relying on exemptions provided by Section 4(2) and Regulation S of the Securities Act of 1933 ("Securities Act"), as amended.

The Company made this offering based on the following factors: (1) the issuance was an isolated private transaction by the Company which did not involve a public offering; (2) there was only one offeree who was issued the Company's stock for services rendered; (3) the offeree stated an intention not to resell the stock and has continued to hold it since it was acquired; (4) there were no subsequent or contemporaneous public offerings of the stock; (5) the stock was not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the stock took place directly between the offeree and the Company.

Regulation S provides generally that any offer or sale that occurs outside of the United States is exempt from the registration requirements of the Securities Act, provided that certain conditions are met. Regulation S has two safe harbors. One safe harbor applies to offers and sales by issuers, securities professionals involved in the distribution process pursuant to contract, their respective affiliates, and persons acting on behalf of any of the foregoing (the "issuer safe harbor"), and the other applies to resales by persons other than the issuer, securities professionals involved in the distribution process pursuant to contract, their respective affiliates (except certain officers and directors), and persons acting on behalf of any of the foregoing (the "resale safe harbor"). An offer, sale or resale of securities that satisfied all conditions of the applicable safe harbor is deemed to be outside the United States as required by Regulation S. The distribution compliance period for shares sold in reliance on Regulation S is one year.

The Company complied with the requirements of Regulation S by having no directed selling efforts made in the United States, by selling only to a purchaser who was outside the United States at the time the subscription originated, and ensuring that the subscriber is a non-U.S. person with an address in a foreign country.

On April 13, 2005 the Company authorized the issuance of 40,000 shares of common stock to Robert Fisher valued at \$0.20 per share for consulting services rendered, relying on exemptions provided by Section 4(2) and Regulation S of the Securities Act of 1933 ("Securities Act"), as amended.

The Company made this offering based on the following factors: (1) the issuance was an isolated private transaction by the Company which did not involve a public offering; (2) there was only one offeree who was issued the Company's stock for services rendered; (3) the offeree stated an intention not to resell the stock and has continued to hold it since it was acquired; (4) there were no subsequent or contemporaneous public offerings of the stock; (5) the stock was not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the stock took place directly between the offeree and the Company.

The Company complied with the requirements of Regulation S by having no directed selling efforts made in the United States, by selling only to a purchaser who was outside the United States at the time the subscription originated, and ensuring that the subscriber is a non-U.S. person with an address in a foreign country.

On May 6, 2005 the Company authorized the issuance of 400,000 shares of common stock to Brian Lovig valued at \$0.25 per share for consulting services rendered, relying on exemptions provided by Section 4(2) and Regulation S of the Securities Act of 1933 ("Securities Act"), as amended.

The Company made this offering based on the following factors: (1) the issuance was an isolated private transaction by the Company which did not involve a public offering; (2) there was only one offeree who was issued the Company's stock for services rendered; (3) the offeree stated an intention not to resell the stock and has continued to hold it since it was acquired; (4) there were no subsequent or contemporaneous public offerings of the stock; (5) the stock was not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the stock took place directly between the offeree and the Company.

The Company complied with the requirements of Regulation S by having no directed selling efforts made in the United States, by selling only to a purchaser who was outside the United States at the time the subscription originated, and ensuring that the subscriber is a non-U.S. person with an address in a foreign country.

On May 12, 2005 the Company authorized the issuance of 250,000 shares of common stock to Supreme Gold valued at \$0.20 per share in a private placement, relying on exemptions provided by Section 4(2) and Regulation S of the Securities Act of 1933 ("Securities Act"), as amended.

The Company made this offering based on the following factors: (1) the issuance was an isolated private transaction by the Company which did not involve a public offering; (2) there was only one offeree who was issued the Company's stock for services rendered; (3) the offeree stated an intention not to resell the stock and has continued to hold it since it was acquired; (4) there were no subsequent or contemporaneous public offerings of the stock; (5) the stock was not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the stock took place directly between the offeree and the Company.

The Company complied with the requirements of Regulation S by having no directed selling efforts made in the United States, by selling only to a purchaser who was outside the United States at the time the subscription originated, and ensuring that the subscriber is a non-U.S. person with an address in a foreign country.

ITEM 6. MANAGEMENT'S PLAN OF OPERATION

The following discussion and analysis of our plan of operation should be read in conjunction with the financial statements and accompanying notes and the other financial information appearing elsewhere in this report. The Company's fiscal year end is December 31.

Plan of Operations

The Company is a research and development company with no revenues and no immediate source or expectation of revenue generation. The Company has been funded since inception from public or private debt or equity placements or by major shareholders in the form of loans. Virtually all of the capital raised to date has been allocated for research and the development activities and for administrative costs. All projects that were under development by the Company were experimental in nature and were recorded as research and development expenses with related general and administrative expenses. The Company has currently ceased all research and development operations.

Despite management's efforts to secure funding for research and development, the Company was unable to cure default provisions related to the payment of royalties to maintain license agreements between its subsidiaries and the technology licensors in connection with four primary projects, specifically SOLAREC, SOLAWATT, H2ONOW and MECHS. The effect of this failure being that the license agreements pertaining to SOLAREC, SOLAWATT, H2ONOW and MECHS were terminated by their respective licensors, Dr. Reed Jensen (SOLAREC) a former director of the Company and Dr. Melvin Prueitt (SOLAWATT, H2ONOW and MECHS) a former director of the Company.

On April 27, 2004, subsequent to the termination of the SOLAREC license agreement between Renewable Energy Limited ("RECO") and Dr. Reed Jensen, the Company through Renewable Energy Corporation ("REEL"), a majority owned subsidiary of the Company, entered into a Stock Purchase Agreement with Los Alamos Renewable Energy LLC ("LARE"), a limited liability company for which two of the Company's former officers and directors (David Jones and Dr. Reed Jensen) act as managing members. The Agreement entitled LARE to acquire a 66% interest in RECO by subscribing for new shares in RECO for cash and a promissory note in an aggregate amount of \$250,000. The full purchase price has since been paid and REEL is now a minority (33%) interest holder in RECO. The Company anticipates that RECO will enter into a new license agreement with Dr. Reed Jensen for the development of the SOLAREC technology.

The Company remains the owner of intellectual property rights related to the acquisition of Hydro-Air Technologies, Inc. ("HAT") from Dr. Melvin Prueitt. HAT has certain intellectual property rights which the Company had intended to develop for the purpose of generating commercially viable electrical power using the energy generated by the heat of evaporation of water. The intellectual property rights are known as Hydro-Air Renewable Power System (HARPS) which includes two U.S. Patents, one granted on September 3, 1996 (number 5,551,238) and a second granted on July 28, 1998 (number 5,784,886), and Air Conditioner Energy System (ACES") which includes a U.S. Patent (and International filings) granted December 28, 1999 (number 6006538). Unfortunately, the HARPS and ACES projects have historically proven difficult to develop to working prototypes which caused the abandonment of research and development specific to these technologies. However, preliminary work, experiments completed and test results generated from both HARPS and ACES did prove useful to derivative projects that the Company did expect to become commercially viable. Since the Company is now without the licensed technology associated with these derivative projects, it has decided to postpone further research and development efforts related to renewable energy sources.

Management is currently seeking to identify a favorable business opportunity for the Company's shareholders. The Company does not plan to limit its search to any particular industry, but will evaluate each opportunity on its merits.

Though the Company has submitted an agreement of sale and purchase and an offer to purchase two distinct business operations, it has not yet fully engaged in either the agreement or the offer as of the date of this filing. Any decision to participate in a specific business opportunity will be made based upon a Company analysis of the merits of the prospective business based on objective criteria.

The Company's plan of operation is prone to significant risks and uncertainties, some of which can have an immediate impact on its efforts to continue research and development, deter future prospects for commercialization and hinder the acquisition of business opportunities. The primary risk to the Company's plan of operation is its inability to secure adequate funding.

Results of Operations

In the Agreement of Purchase and Sale dated November 17, 2004, the Company took steps to acquire certain mining and mineral rights from Manhattan Minerals Corp. Thus far, the Company has paid a total of \$50,000 toward the purchase price of the rights. The Company paid a refundable deposit of \$5,000 upon the signing of the agreement and \$45,000 upon removal of the due diligence conditions in the Agreement. The Agreement remains subject to conditions precedent to the Company's acquiring said mining rights.

Subsequent to the fiscal year ended 2004, the Company made an Offer to Purchase dated February 4, 2005, to acquire Planktos, Inc. The Offer is subject to the Company's acceptance of Planktos' twelve-month business plan and the Company's shareholders' approval of the final closing documents for the Offer. The Company has not yet satisfied all the terms of the Offer to Purchase and the agreement to acquire Planktos remains pending.

Liquidity and Capital Resources

As of December 31, 2004, the Company had no significant assets. Management believes that the Company will require a substantial infusion of capital over the next twelve months in order to revive its research & development efforts and finance both its pending Agreement of Purchase and Sale and Offer to Purchase. Since the Company has no revenues, it has depended and continues to depend on support from its principal shareholders. However, the Company has no binding agreement whereby shareholders are committed to continue funding its operation and therefore cannot provide any assurance that future funding will be forthcoming. Should funding fail to materialize in the next twelve months the Company may not be able to continue as a going concern.

Should funds become available over the next twelve months, the Company will require a minimum of \$600,000 to meet essential cash operations of the Agreement of Sale and Purchase and a minimum of \$1,500,000 to fulfill the terms of the Offer to Purchase. A minimum amount of funding will be required for administrative expenses including compliance with continuous disclosure requirements. Funding in excess of administrative expenses will be used toward financing the acquisition of other business opportunities.

Further, there can be no assurance offered to the public by these disclosures, or otherwise, that the Company will be successful, or that it will ultimately succeed as a going concern. To the extent that existing resources and any future earnings prove insufficient to fund its activities, the Company will need to raise additional funds through debt or equity financing. The Company cannot provide any assurance that such additional financing will be available or that, if available, it can be obtained on terms favorable to the Company and its shareholders. In addition, any equity financing would result in dilution to the Company shareholders and any debt financing could involve restrictive covenants with respect to future capital raising activities or other financial or operational matters. The Company's inability to obtain adequate funds will adversely affect its operations and the ability to implement its plan of operation.

The Company adopted The 2004 Benefit Plan of Solar Energy Limited on December 3, 2004. Under the benefit plan, the Company could issue stock, or grant options to acquire the Company's common stock to employees of the Company or its subsidiaries. The board of directors, at its own discretion could also issue stock or grant options to other individuals, including consultants or advisors, who rendered services to the Company or its subsidiaries, provided that the services rendered are not in connection with the offer or sale of securities in a capital-raising transaction. Further, no stock could be issued, or options granted under the benefit plan to consultants, advisors, or other persons who directly or indirectly promoted or maintained a market for the Company's stock. The Company had issued 600,000 shares of the maximum 1,250,000 permitted under the plan. The benefit plan is registered on Form S-8 with the Securities and Exchange Commission.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to engage any employees.

Critical Accounting Policies

In Note 1 to the audited consolidated financial statements for the years ended December 31, 2004 and 2003 included in this Form 10-KSB, the Company discusses those accounting policies that are considered to be significant in determining the results of operations and its financial position. The Company believes that the accounting principles utilized by it conform to standards of the public company accounting oversight board (United States).

The preparation of financial statements requires Company management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, the Company evaluates estimates. The Company bases its estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

Recent Accounting Pronouncements

On December 2004, the FASB issued SFAS 123 (revised 2004), "Accounting for Stock Based Compensation." This statement supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." This revised statement establishes standards for the accounting of transactions in which an entity exchanges its equity instruments for goods and services, including the grant of stock options to employees and directors. The Statement is effective for periods beginning after June 15, 2005, and will require the Company to recognize compensation cost based on the grant date fair value of the equity instruments its awards. The Company currently accounts for those instruments under the recognition and measurement principles of APB Opinion 25, including the disclosure-only provisions of the original SFAS 123. Accordingly, no compensation cost from issuing equity instruments has been recognized in the Company's financial statements. The Company estimates that the required adoption of SFAS 123 (R) will not have a negative impact on its financial statements.

In December 2003, the FASB issued Interpretation No. 46 ("FIN 46R") (revised December 2003), Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51 ("ARB 51"), which addresses how a business enterprise should evaluate whether it has a controlling interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation No. 46 (FIN 46), which was issued in January 2003. Before concluding that it is appropriate to apply ARB 51 voting interest consolidation model to an entity, an enterprise must first determine that the entity is not a variable interest entity (VIE). As of the effective date of FIN 46R, an enterprise must evaluate its involvement with all entities or legal structures created before February 1, 2003, to determine whether consolidation requirements of FIN 46R apply to those entities. There is no grandfathering of existing entities. Public companies must apply either FIN 46 or FIN 46R immediately to entities created after January 31, 2003 and no later than the end of the first reporting period that ends after March 15, 2004. The adoption of FIN 46 had no effect on the Company's consolidated financial position, results of operations or cash flows.

In December 2003, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition. SAB 104 revises or rescinds portions of the interpretive guidance included in Topic 13 of the codification of staff accounting bulletins in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The adoption of SAB 104 did not have a material effect on the Company's results of operations or financial condition.

In May 2003, the FASB issued SFAS 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity. SFAS 150 clarifies the accounting for certain financial instruments with characteristics of both liabilities and equity and requires that those instruments be classified as liabilities in statements of financial position. Previously, many of those financial instruments were classified as equity. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. On November 7, 2003, FASB Staff Position 150-3 was issued, which indefinitely deferred the effective date of SFAS 150 for certain mandatory redeemable non-controlling interests. As WWA Group does not have any of these financial instruments, the adoption of SFAS 150 did not have any impact on the Company's consolidated financial statements.

In April 2003, FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133, Accounting for Derivatives and Hedging Activities. SFAS 149 is generally effective for derivative instruments, including derivative instruments embedded in certain contracts, entered into or modified after June 30, 2003. The adoption of SFAS 149 did not have a material impact on the operating results or financial condition of the Company.

Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

This Form 10-KSB/A includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements included in this Form 10-KSB/A, other than statements of historical facts, address matters that the Company reasonably expects, believes or anticipates will or may occur in the future. Such statements are subject to various assumptions, risks and uncertainties, many of which are beyond the control of the Company. These forward looking statements may relate to such matters as anticipated financial performance, future revenue or earnings, business prospects, projected ventures, new products and services, anticipated market performance and similar matters. When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," and similar expressions are intended to identify forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934 regarding events, conditions, and financial trends that may affect the Company's future plans of operations, business strategy, operating results and financial position. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. To comply with the terms of the safe harbor, we caution readers that a variety of factors could cause our actual results to differ materially from the anticipated results or other matters expressed in our forward-looking statements.

These risks and uncertainties, many of which are beyond our control, include (i) the sufficiency of existing capital resources and the Company's ability to raise additional capital to fund cash requirements for future operations; (ii) uncertainties involved in the Company's business prospects; (iii) the ability of the Company to achieve and maintain sufficient revenues to fund operations; (iv) volatility of the stock market; and (v) general economic conditions. Although the Company believes the expectations reflected in these forward-looking statements are reasonable, such expectations may prove to be incorrect.

Going Concern

The Company's audit expressed substantial doubt as to the Company's ability to continue as a going concern as a result of recurring losses, lack of revenue-generating activities and an accumulated deficit of \$3,903,320 as of December 31, 2004. The Company's ability to continue as a going concern is subject to the ability of the Company to realize a profit and /or obtain funding from outside sources. Management's plan to address the Company's ability to continue as a going concern, include: (1) obtaining funding from private placement sources; (2) obtaining additional funding from the sale of the Company's securities; (3) establishing revenues from commercializing of its project; and (4) obtaining loans and grants from various financial institutions, where possible. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

ITEM 7. FINANCIAL STATEMENTS

The Company's financial statements for the fiscal year ended December 31, 2004, are attached hereto as pages F-1 through F-20.

Solar Energy Limited
(a Development Stage Company)
Consolidated Financial Statements
December 31, 2004 and 2003

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Solar Energy Limited

We have audited the accompanying consolidated balance sheets of Solar Energy Limited (a Development Stage Company) (a Nevada Company) as of December 31, 2004 and 2003 and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended December 31, 2004, 2003 and 2002 and from inception on January 5, 1994 through December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Accounting Oversight Board (United States). Those standards require that we plan and perform the audits 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 audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Solar Energy Limited (a Development Stage Company) as of December 31, 2004 and 2003 and the results of its operations and cash flow for the years ended December 31, 2004 and 2003 and 2002 and from inception on January 5, 1994 through December 31, 2004 in conformity with the standards of the Public Company Accounting Oversight Board (United States).

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring operating losses and is dependent upon financing to continue operations. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 14 to the consolidated financial statements, there were errors in reporting the Company's sale of RECO and Sunspring to Sun Power, and errors in the recording of the sale of Sun Power shares held by the Company. These errors were discovered by management as a result of a regulatory review. Accordingly, the consolidated financial statements have been restated to correct the errors.

Chisholm, Bierwolf & Nilson, LLC
Bountiful, UT
May 9, 2005, except for Note 14, 1(c)(e.),5 and 7
dated January 13, 2006.

Solar Energy Limited
(a Development Stage Company)
Consolidated Balance Sheets

	December 31,	
	2004	2003
	(Restated)	(Restated)
Assets		
Current Assets		
Cash	\$ 32	\$ 14,033
Prepaid Expenses	<u>707</u>	<u>22,500</u>
Total Current Assets	<u>739</u>	<u>36,533</u>
Property & Equipment	<u>2,965</u>	<u>3,018</u>
Other Assets		
Patent Costs	-	57,406
Goodwill	-	14,118
Deposits	300	4,837
Investment in Mining and Mineral Rights	<u>50,000</u>	<u>-</u>
Total Other Assets	<u>50,300</u>	<u>76,361</u>
Total Assets	<u>\$ 54,004</u>	<u>\$ 115,912</u>
Liabilities & Stockholders' Equity		
Current Liabilities		
Accounts Payable	\$ 75,258	\$ 74,170
Accrued Liabilities	173,909	288,058
Notes Payable – Related Party (Note 8)	<u>46,785</u>	<u>4,000</u>
Total Current Liabilities	295,952	366,228
Long-Term Liabilities		
Minority Interest	<u>-</u>	<u>40,182</u>
Stockholders' Equity		
Common Stock 50,000,000 Shares Authorized at \$.001 Par Value 7,521,275 and 6,871,275 Shares Issued and Outstanding, Respectively	752	687
Additional Paid In Capital	3,660,620	3,520,685
Deficit Accumulated During the Development Stage	<u>(3,903,320)</u>	<u>(3,811,870)</u>
Total Stockholders' Equity	<u>(241,948)</u>	<u>(290,498)</u>
Total Liabilities & Stockholders' Equity	<u>\$ 54,004</u>	<u>\$ 115,912</u>

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Operations

	For the Years Ended December 31,			Cumulative Total
	2004	2003	2002	Since
	(Restated)			Inception
				(Restated)
Revenues	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
General & Administrative	167,908	176,943	119,122	1,896,232
Research & Development	-	208,059	57,726	2,238,132
Total Operating Expenses	167,908	385,002	176,848	4,134,364
Operating Income (Loss)	(167,908)	(385,002)	(176,848)	(4,134,364)
Other Income (Expenses)				
Minority Interest	1,238	66,969	-	123,856
Other Income	10,000	70,000	-	80,000
Gain (Loss) on Investments	-	-	-	17,200
Loss on Sale of Assets	-	-	-	(2,575)
Interest Income (Expense)	(1,725)	(33,871)	(36,197)	(54,382)
Write Off of Patents	(39,648)	-	-	(39,648)
Write Off of Goodwill	(14,118)	-	-	(14,118)
Gain (Loss) on Sale of Subsidiary	120,711	-	-	120,711
Total Other Income (Expense)	76,458	103,098	(36,197)	231,044
Net Income (Loss)	\$ (91,450)	\$ (281,904)	\$ (213,045)	\$ (3,903,320)
Net Income (Loss) Per Share	\$ (.02)	\$ (.06)	\$ (.06)	\$ (1.81)
Weighted Average Shares				
Outstanding	7,354,886	4,780,472	3,670,588	2,153,528

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Stockholders' Equity

	Common Stock	Amount	Additional Paid-In Capital	Accumulated During the Development Stage
Balance at Beginning of Development Stage January 5, 1994	-	\$ -	\$ -	\$ -
1/5/94 Stock Issued for Organization Costs	125,000	13	2,487	-
Net Loss for the Year Ended December 31, 1994	-	-	-	(500)
Balance, December 31, 1994	125,000	13	2,487	(500)
Net Loss for the Year Ended December 31, 1995	-	-	-	(500)
Balance, December 31, 1995	125,000	13	2,487	(1,000)
10/96 Shares Issued for Cash at \$20.00 Per Share	1,300	1	25,999	-
11/96 Shares Issued for Cash at \$.90 Per Share	831	-	763	-
12/96 Shares Issued for Cash at \$2.00 Per Share	125	-	251	-
Stock Split Rounding Adjustment	595	(1)	1	-
Net Loss for the Year Ended December 31, 1996	-	-	-	(24,013)
Balance, December 31, 1996	127,851	13	29,501	(25,013)
Net Loss for the Year Ended December 31, 1997	-	-	-	(4,000)
Balance, December 31, 1997	127,851	13	29,501	(29,013)

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Stockholders' Equity

	Common Stock	Amount	Additional Paid-In Capital	Accumulated During the Development Stage
1/98 Shares Issued for Acquisition of Hydro-Air Technologies, Inc.	70,400	7	(7)	-
6/98 Shares Issued for Cash at \$1.00 Per Share	780,000	78	779,922	-
7/98 Shares Issued for Cash at \$10.00 Per Share	12,500	1	124,999	-
11/98 Shares Issued for Cash at \$.10 Per Share	200,000	20	199,980	-
Net Loss for the Year Ended December 31, 1998	-	-	-	(939,446)
Balance, December 31, 1998	1,190,391	119	1,134,394	(968,459)
4/99 Shares Issued for Cash at \$10.00 Per Share	10,000	1	99,999	-
1/99 Shares Issued for Acquisition of Renewable Energy Corporation at \$12.00 Per Share	35,000	4	419,996	-
10/99 Shares Issued for Cash at \$1.80 Per Share	80,000	8	143,990	-
Net Loss for the Year Ended December 31, 1999	-	-	-	(957,086)
Balance, December 31, 1999	1,315,391	132	1,798,380	(1,925,545)
Net Loss for the Year Ended December 31, 2000	-	-	-	(925,899)
Balance, December 31, 2000	1,315,391	132	1,798,380	(2,851,444)

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Stockholders' Equity

	Common Stock	Amount	Additional Paid-In Capital	Accumulated During the Development Stage
7/01 Shares Issued for Rounding in Connection with 10:1 Exchange	35,396	4	(4)	-
8/01 Shares Issued for Cash at Average of \$.23 Per Share	350,000	35	81,215	-
10/01 Shares Issued for Cash at \$.25 Per Share	50,000	5	12,495	-
10/01 Shares Issued to Settle Debt at \$.33 Per Share	1,507,739	151	502,808	-
10/01 Shares Issued for Services at \$.33 Per Share	113,682	11	37,504	-
11/01 Shares Issued for Cash at \$.51 Per Share	275,000	27	141,223	-
Net Loss for the Year Ended December 31, 2001(Restated)	-	-	-	(465,476)
Balance, December 31, 2001(Restated)	3,647,208	365	2,573,621	(3,316,920)
8/02 Shares Issued for Cash at \$.30 Per Share	56,113	6	16,994	-
Net Loss for the Year Ended December 31, 2002	-	-	-	(213,045)
Balance, December 31, 2002(Restated)	3,703,321	370	2,590,615	(3,529,965)
1/03 Shares Issued for Cash at \$.30 Per Share	23,000	2	6,898	-
2/03 Shares Issued for Cash at \$.30 Per Share	60,000	6	17,994	-

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Stockholders' Equity

	Common Stock	Amount	Additional Paid-In Capital	Accumulated During the Development Stage
9/03 Shares Issued to Settle Debt at \$.30 Per Share	2,734,954	274	820,213	-
10/03 Shares Issued for Services at \$.20 Per Share	200,000	20	39,980	-
10/03 Shares Issued for Cash at \$.30 Per Share	150,000	15	44,985	-
Net Loss for the Year Ended December 31, 2003	-	-	-	(281,905)
Balance, December 31, 2003(Restated)	6,871,275	687	3,520,685	(3,811,870)
3/04 Shares Issued for Cash at \$.20 Per Share	450,000	45	89,955	-
05/04 Shares Issued for Cash at \$.25 Per Share	200,000	20	49,980	-
Net (Loss) for the Year Ended December 31, 2004 (Restated)	-	-	-	(91,450)
Balance, December 31, 2004(Res)	<u>7,521,275</u>	<u>\$ 752</u>	<u>\$ 3,660,620</u>	<u>\$ (3,903,320)</u>

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Cash Flows

	For the Years Ended December 31,			Cumulative Total
	2004	2003	2002	Since
	(Restated)			Inception
				(Restated)
Cash Flow from Operating Activities				
Net Income (Loss)	\$ (91,450)	\$ (281,904)	\$ (213,045)	\$ (3,903,320)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operations (Net of Acquisition/Sale)				
Amortization/Depreciation	14,079	34,093	14,025	197,005
Bad Debt	-	-	-	225,000
Stock Issued for Services	-	17,500	17,000	252,015
Stock Issued for R&D Expenses	-	-	-	439,900
Loss on Sale of Assets	-	-	-	2,575
Gain on Investments	-	-	-	(17,199)
Gain on Sale of Subsidiary	(120,711)	-	-	(120,711)
Write Off of Patents	39,648	-	-	39,648
Write Off of Goodwill	14,118	-	-	14,118
Minority Interest	(1,238)	(66,968)	-	(123,856)
Deposits	4,537	-	-	4,537
Increase (Decrease) in:				
Prepaid Expenses	21,793	595	(195)	21,793
Accounts Receivable	-	-	11,994	39
Accounts Payable	(26,874)	(9,475)	(22,298)	123,456
Accrued Expenses	479	115,481	77,184	224,958
Net Cash Used in Operating Activities	(145,619)	(190,678)	(115,334)	(2,620,042)
Cash Flows from Investment Activities				
Cash Acquired from Sale of Subsidiary	-	-	-	180,000
Cash Acquired (Sold) from Subsidiary	(177)	-	-	247,512
Cash Paid to Subsidiary	-	-	-	(107,568)
Cash Paid to RECO and Sunspring	-	-	(2,076)	(2,076)
Cash Paid for Patent Costs	-	(3,368)	(10,399)	(106,318)
Cash Paid for Property & Equipment	-	(883)	(1,539)	(59,880)
Cash Paid for Deposits	-	-	-	(4,837)
Cash Received on Sale of Assets	-	-	-	23,000
Cash Paid for Notes Receivable	-	-	-	(275,000)
Cash Paid for Mining & Mineral Rights	(50,000)	-	-	(50,000)
Net Cash Provided by Investing Activities	(50,177)	(4,251)	(14,013)	(175,167)

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

Solar Energy Limited
(a Development Stage Company)
Consolidated Statements of Cash Flows

	For the Years Ended December 31,			Cumulative Total
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>Since</u>
	(Restated)			<u>Inception</u>
Cash Flows from Financing Activities				
Issued Stock for Cash	\$ 140,000	\$ 69,900	\$ -	\$ 1,640,913
Cash Received for Notes Payable	87,285	-	136,122	498,407
Cash Received from Advances by Shareholders	-	117,046	-	2,044,099
Cash Paid on Debt Financing	<u>(45,490)</u>	<u>(8,500)</u>	<u>-</u>	<u>(1,388,178)</u>
Cash Provided by Financing Activities	<u>181,795</u>	<u>178,446</u>	<u>136,122</u>	<u>2,795,241</u>
Net Increase (Decrease) in Cash	(14,001)	(16,483)	6,775	32
Cash, Beginning of Year	<u>14,033</u>	<u>30,516</u>	<u>23,741</u>	<u>-</u>
Cash, End of Year	<u>\$ 32</u>	<u>\$ 14,033</u>	<u>\$ 30,516</u>	<u>\$ 32</u>
Supplemental Cash Flow Information				
Cash Paid For:				
Interest	\$ -	\$ -	\$ -	\$ 17,195
Taxes	-	-	-	-

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

SOLAR ENERGY LIMITED
(a Development Stage Company)
Notes to the Consolidated Financial Statements
December 31, 2004 and 2003

NOTE 1 - Summary of Significant Accounting Policies

a. Organization

Solar Energy Limited ("the Company") was incorporated as Taurus Enterprises, Inc. under the laws of the State of Delaware on January 5, 1994. The Company was organized primarily for the purpose of operating a used automobile brokerage firm. The Company did not become operational and abandoned its attempts to establish the brokerage operation.

In August of 1996 its shareholders decided to reactivate the Company, merge the Company with Salvage World, Inc., a private company, change the name to Salvage World, Inc. and reincorporate in the state of Nevada.

On December 17, 1997 the Company merged with Solar Energy Limited (Solar) a Delaware corporation organized on July 24, 1997 and changed the name to Solar Energy Limited. The surviving corporation is a Delaware corporation and the authorized shares were changed to 50,000,000 par value \$.0001. Solar's headquarters are located in Los Alamos, New Mexico.

On January 1, 1998 the Company issued the initial 170,400 shares of stock and on October 21, 1998 an additional 530,000 shares were issued for the acquisition of 100% of Hydro-Air Technologies, Inc. (Hydro) a New Mexico corporation organized June 18, 1997. Hydro owns various rights to patented intellectual property called Hydro-Air Renewable Power System ("HARPS"), and has developed a prototype system to generate electricity from the evaporation of water. Hydro's headquarters are located in Los Alamos, New Mexico. This business combination was accounted using the purchase method. Operations of Hydro have been included in the consolidated statement of operations since January 1, 1998. The Company valued the acquisition at \$83,346, the amount of goodwill recorded for the acquisition.

In January 1999 the Company issued 350,000 shares of stock for the acquisition of 100% of Renewable Energy Corporation (RECO) a New Mexico corporation organized November 30, 1998. RECO owns various rights to patented intellectual property associated with the solar recycling of CO₂ to fuel. RECO's headquarters are located in Los Alamos, New Mexico. The Company valued the acquisition at \$440,000 consisting of cash paid of \$20,000 and stock valued at \$420,000. The Company acquired RECO assets of \$49,500 and assumed liabilities of \$49,400. The acquisition was recorded using the purchase method of a business combination. The statement of operations of RECO has been included in the consolidated statements of operation for the year ended December 31, 1999. RECO had no operations in 1998 therefore no proforma information is presented. The Company recorded \$439,900 of Research & Development expenses in connection with this acquisition.

SOLAR ENERGY LIMITED
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NOTE 1 - Summary of Significant Accounting Policies (continued)

On June 30, 2000, the Company sold 100% of its interest in RECO to Jade Electronic, Inc., who changed their name to Renewable Energy Limited (REEL) for 63% of the outstanding stock of REEL and cash of \$180,000. At the point of sale REEL had no assets and no liabilities, thus RECO became its only assets, liabilities and operations at June 30, 2000. Because the Company essentially sold 37% of its interest in RECO for cash of \$180,000, the Company recorded minority of interest of \$162,800 and a gain of \$17,200. This acquisition was recorded by Jade as a reverse acquisition with RECO being the accounting acquirer, therefore no goodwill was recorded in the acquisition and REEL recorded the assets and liabilities of RECO at predecessor cost. The Company has consolidated its books with REEL as of December 31, 2000.

In April 2000, the Company acquired all of the outstanding common stock of Sunspring, Inc. (Sunspring) for \$14,500. Sunspring was incorporated in April 2000 as Holisticom.com Limited and subsequently changed its name to Sunspring in August 2000. Sunspring is a development stage company and has directed its efforts towards development of new technology.

On November 26, 2001, the Company exchanged all of its shares of common stock in its wholly owned subsidiary, Sunspring, Inc. (Sunspring), for 2,000,000 shares of restricted common stock and 8,000,000 shares of preferred stock of Sun Power Corporation (Sun). During the period November 26, 2001 to November 26, 2002, both Sun and the Company had the right to cancel this agreement. If either cancels, the 8,000,000 shares of preferred will be returned to SunPower and Sunspring will be returned to the Company. The Company uses the equity method to account for its investments and recognized a gain on the exchange. The restricted common stock and preferred stock of Sun were recorded at a basis of \$0.

On November 26, 2001, the Company exchanged all of its common stock in its 63% owned subsidiary, Renewable Energy Corporation (RECO), for 2,000,000 shares of restricted common stock and 8,000,000 shares of preferred stock of Sun Power Corporation (Sun). During the period November 26, 2001 to November 26, 2002, both Sun and the Company had the right to cancel this agreement. If either canceled, the 8,000,000 preferred shares would be returned to SunPower and Sunspring would be returned to the Company. The restricted common stock and preferred stock of Sun were recorded at a basis of \$0.

On December 30, 2002, the Company was returned all of its stock in its 63% owned subsidiary, Renewable Energy Corporation (RECO), and gave back 8,000,000 shares of preferred stock of Sun Power Corporation. In addition, on December 30, 2002, the Company was returned all of its stock in its 100% owned subsidiary, Sunspring, Inc., and gave back 8,000,000 shares of preferred stock to Sun Power Corporation. The Company kept the 2,000,000 shares of restricted common stock of Sun Power and recorded a basis of \$0.

SOLAR ENERGY LIMITED
(a Development Stage Company)
Notes to the Consolidated Financial Statements
December 31, 2004 and 2003

NOTE 1 - Summary of Significant Accounting Policies (continued)

On April 27, 2004, the Company entered into a stock purchase agreement for Renewable Energy Corp. (RECO) with Los Alamos Renewable Energy, LLC, (LARE) a limited liability company for which two of the Company's former Officers and Directors act as managing members. Pursuant to the Agreement, an additional 99,900 shares of common stock of RECO were issued to the Company and an additional 200,000 shares of RECO were issued to LARE. In effect, the Company now has a 21% interest in RECO and will use the equity method of accounting instead of the consolidation method. The Company has also forgiven debt due from RECO. At December 31, 2004, a gain of \$56,138 has been recognized due to the recapture of prior year losses.

The Company is in the development stage according to Financial Accounting Standards Board Statement No. 7 and is currently focusing its attention on raising capital in order to pursue its goals.

b. Accounting Method

The Company recognizes income and expenses on the accrual basis of accounting.

c. Earnings (Loss) Per Share(Restated)

The computation of earnings per share of common stock is based on the weighted average number of shares outstanding at the date of the financial statements. Fully diluted earnings per share are not presented because it is anti-dilutive.

	<u>Income (loss)</u> <u>(Numerator)</u>	<u>Shares</u> <u>(Denominator)</u>	<u>Per-Share</u> <u>Amount</u>
For the year ended December 31, 2004			
Basic EPS			
Income (loss) to common stockholders	\$ (91,450)	7,354,886	\$ (.01)
For the year ended December 31, 2003			
Basic EPS			
Income (loss) to common stockholders	\$ (281,904)	4,780,472	\$ (.06)
For the year ended December 31, 2002			
Basic EPS			
Income (loss) to common stockholders	\$ (213,045)	3,670,588	\$ (.06)
From inception January 5, 1994 to December 31, 2004	\$ (3,903,320)	2,153,528	\$ (1.81)

d. Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

SOLAR ENERGY LIMITED
(a Development Stage Company)
Notes to the Consolidated Financial Statements
December 31, 2004 and 2003

NOTE 1 - Summary of Significant Accounting Policies (continued)

e. Provision for Income Taxes(Restated)

No provision for income taxes has been recorded due to net operating loss carryforwards totaling approximately \$3,900,000 that will be offset against future taxable income. These NOL carryforwards begin to expire in the year 2009. No tax benefit has been reported in the financial statements because the Company believes there is a 50% or greater chance the carryforward will expire unused.

Deferred tax assets and the valuation accounts are as follows at December 31, 2004 and 2003.

	<u>2004</u>	<u>2003</u>
Deferred tax asset:		
NOL carryforward	\$ 1,326,000	\$ 1,296,000
Valuation allowance	<u>(1,326,000)</u>	<u>(1,296,000)</u>
Total	<u>\$ -</u>	<u>\$ -</u>

f. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. In these financial statements, assets involve extensive reliance on management's estimates. Actual results could differ from those estimates.

g. Principles of Consolidation

The December 31, 2004 and 2003 financial statements include the accounts of Solar Energy Limited and its wholly owned subsidiaries Hydro-Air Technologies, Inc., Sunspring Inc., and Renewable Energy Ltd. All intercompany accounts and transactions have been eliminated in the consolidation.

NOTE 2 - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has had recurring operating losses for the past several years and is dependent upon financing to continue operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. It is management's plan includes the following: (1) obtaining funding from private placement sources; (2) obtaining additional funding from the sale of the Company's securities; (3) establishing revenues from commercializing of its project; and (4) obtaining loans and grants from various financial institutions, where possible. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

SOLAR ENERGY LIMITED
(a Development Stage Company)
Notes to the Consolidated Financial Statements
December 31, 2004 and 2003

NOTE 3 - Development Stage Company

The Company is a development stage company as defined in Financial Accounting Standards Board Statement No. 7. It is concentrating substantially all of its efforts in raising capital and developing its business operations in order to generate significant revenues.

NOTE 4 - Stockholders' Equity Transactions

During 2004, the Company issued 650,000 shares of common stock for cash of \$140,000.

In August 2002, the Company issued 56,113 shares of common stock for services at \$.30 per share. During 2003, the following shares of common stock were issued:

<u>Month</u>	<u>Shares</u>	<u>Per Sh.</u>	<u>Exchange</u>
January, 2003	23,000	\$.30	Cash
February, 2003	60,000	\$.30	Cash
September, 2003	2,734,954	\$.30	Debt
October, 2003	150,000	\$.30	Cash
October, 2003	200,000	\$.20	Service

Pursuant to the plan of reorganization and merger agreement dated August 20, 1996, the Company merged Taurus Enterprises, Inc. (a public company) with Salvage World, Inc. (a private company). The shareholders of Taurus returned their stock and received stock in the new combined entity named Salvage World, Inc. The Company changed the par value of its common stock from \$.0001 to \$.001.

Pursuant to the merger agreement dated December 17, 1997, the Company merged with Solar Energy Limited and the shareholders of Salvage received shares in the new combined Solar entity. The Company then changed the par back to \$.0001 and the new authorized capital became 50,000,000. The Board then authorized a 1 for 20 reverse stock split. These financial statements have been retroactively restated to reflect the split.

The Company has issued 70,040 shares of stock to acquire 100% of the stock of Hydro-Air Technologies. The acquisition agreement between the Company and Hydro-Air Technologies provides an initial issuance of stock at the beginning of phase one, and additional issuances throughout the development process to arrive at no less than 4,000,000 shares or 40% of the outstanding stock. Because Hydro had a negative equity position goodwill was recorded and no value was assigned to the stock issued.

The Company issued 7,800,000 shares of common stock at \$.10 and 2,000,000 shares of common stock at \$.10 for cash and services in an exempt 504 offering which raised \$800,000 during 1998.

The Company also issued 125,000 shares of common stock for \$125,000 in a 505 exempt offering.

During January 1999, the Company issued 350,000 shares of its common stock to acquire 100% of the stock of Renewable Energy Corporation. The shares were valued at \$1.20 each net of a 40% discount due on their restricted nature based on the trading value of the stock at the time.

SOLAR ENERGY LIMITED
(a Development Stage Company)
Notes to the Consolidated Financial Statements
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NOTE 4 - Stockholders' Equity Transactions (continued)

During May 1999, the Company issued 100,000 shares of its common stock for cash of \$100,000.

During November 1999, the Company issued 800,000 shares of its common stock for cash of \$144,000.

NOTE 5 - Property & Equipment (Restated)

Property and equipment consists of the following at December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u> (Restated)
Office Equipment & Furniture	\$ 28,695	\$ 34,794
Tools	<u>2,264</u>	<u>2,264</u>
	30,959	37,058
Accumulated Depreciation	<u>(27,994)</u>	<u>(34,040)</u>
Net Property & Equipment	<u>\$ 2,965</u>	<u>\$ 3,018</u>

Depreciation expense for the years ended December 31, 2004, 2003 and 2002 is \$2,052, \$9,501 and \$3,996, respectively.

NOTE 6 - Patent Costs

The Company has incurred legal costs in connection with the Patent process which the Company has rights to, and has therefore capitalized those costs and was amortizing them over a five year period. Amortization expense attributable to patents during 2004, 2003 and 2002 is \$7,367, \$24,591 and \$7,200, respectively. At December 31, 2004, the patent costs were deemed impaired and the remaining balance of \$39,648 was written off.

NOTE 7 – Goodwill (Restated)

The Company recorded Goodwill in connection with the acquisition of Hydro, due to the negative equity position of Hydro. A total of \$83,346 was recorded upon acquisition and was being amortized over a 5 year period, until the adoption by the company on January 1, 2002 of SFAS 142 (See Note 12). The Company is now required to perform an impairment test on goodwill and other intangible assets annually. The realization of this asset is contingent upon Hydro's ability to generate revenues from the HARPS process. Goodwill is \$0, and \$14,118 at December 31, 2004 and 2003, respectively.

NOTE 8 - Notes Payable - Related Party

Bay Cove Investments, Ltd., a shareholder, loaned the Company \$86,785 and \$117,046 during 2004 and 2003, respectively. The loans bear interest at 6% per annum and are due upon demand. In October of 2003, \$820,486 was converted to common stock at \$.30 per share. The balance of the loans at December 31, 2004 and 2003 is \$46,785 and \$4,000 respectively.

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NOTE 9 – Mining & Mineral Rights

On November 17, 2004, the Company entered into an agreement with Manhattan Minerals Corp. (Manhattan) to purchase certain mining and mineral rights located in the vicinity of Tambogrande, Peru. These mining and mineral rights consist of the following:

Tambogrande property which is comprised of 8,000 ha that surrounds and includes the city of Tambogrande. This property is currently under arbitration.

Lancones property (including the Perla concession comprising of approximately 1,900 ha) comprising of approximately 33,000 ha that surrounds the Tambogrande property. This property is in good standing other than certain work assessments are in arrears.

Option Agreement with Empresa Mineranda Centro del Peru, S.A. to acquire up to 100% of seven concessions aggregating approximately 3,200 ha known as the Papayo Joint Venture. This option agreement may not be in effect and is in dispute.

Pursuant to the purchase agreement, the Company must pay cash of \$600,000 of which \$50,000 has been paid as of December 31, 2004. The balance of \$550,000 is due upon closing. In addition to cash, the Company must assume the liabilities and obligations pertaining to the properties, including the \$2,367,000 convertible redeemable notes issued by Manhattan and secured by the Lancone and Papayo properties.

Manhattan will retain a 2% net smelter royalty (NSR) with respect to the Peruvian properties. The Company will retain a right of first refusal to purchase the NSR and will have the option to buy down the NSR for \$100,000 for each 1/10 of 1% acquired (aggregating \$2,000,000 for the full 2% NSR) in cash or shares of the Company.

NOTE 10 - Commitments

The founder of the HARPS technology has granted Hydro an exclusive license to develop, manufacture and market the same. For the license Hydro is committed to a 1% royalty on gross sales of the units and 1/2% royalty on the sale of the electrical power generated by any power plants owned by Hydro.

NOTE 11 - Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments approximate the carrying values of such amounts.

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NOTE 12 – Stock Options

In October 2001, the company granted stock options to employees. The stock options vested in October 2003.

The Company has adopted only the disclosure provisions for FAS No. 123 “Accounting for Stock-Based Compensation”. Therefore, the Company accounts for stock-based compensation under the Accounting Principles Board Opinion No. 25.

Information with respect to the Company’s stock options at December 31, 2004 is as follows:

	Stock Options	Exercise Price	Weighted Average Exercise
Outstanding at January 1, 2003	500,000	\$.33	\$.33
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2003	500,000	\$.33	\$.33
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2004	<u>500,000</u>	<u>\$.33</u>	<u>\$.33</u>

NOTE 13 – Subsequent Event

On February 4, 2005, the Company entered into an agreement to acquire Planktos, Inc., (Planktos) a private California company. Pursuant to the agreement, the Company will acquire 100% of the common stock of Planktos for a purchase price of \$1,500,000. The \$1,500,000 is deemed paid by the Company upon issuance of a \$1,500,000 convertible debenture with the following terms: 5 year term, bears interest at 5% and convertible into the Company shares at 10% below market. It is the intent of the Company to take Planktos public within six months of the closing date. The Company further commits to raising an additional \$1,000,000 for Planktos prior to the completion of taking Planktos public. If Planktos is not public within six months, the shareholders of Planktos have the right to redeem their shares of Planktos by canceling the \$1,500,000 debenture payable by the Company.

NOTE 14 – Restatement of Financial Statements

The financial statements for the year ended December 31, 2004 and 2003 have been restated. The sale of the Sun Power shares was originally reported as a gain of 186, 667 with a receivable of \$176,667 remaining at December 31, 2004. During 2005, management determined that there was not a closing for the sale of these shares. Therefore, the other receivable balance has been adjusted to zero and the offset adjustment was a decrease to the gain on sale of investments of \$176,667.

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NOTE 14 – Restatement of Financial Statements (Continued)

During a regulatory review, it was discovered that the gain reported on the sale of RECO and Sunspring to Sun Power in 2001, should have been deferred as unrealized due to the mutual cancellation provision in the agreement. The gain of \$64,573 was therefore deferred in 2001, and in 2002 when RECO and Sunspring were returned to the Company, the goodwill and fixed assets recorded from this transaction were removed and offset against other comprehensive income (a contra equity account). The restatement affected these financial statements in 2003 by a reduction of fixed assets of \$10,448, a reduction of goodwill of \$54,125, and a reduction of retained earnings of \$64,573. On the statement of operations, the inception column has a decrease in the gain/(loss) on Investment of \$64,573 and an increase in gain/(loss) on sale of subsidiary in the same amount. The statement of operations for 2004 has been restated by increasing the gain/(loss) on sale of subsidiary by \$64,573. The statement of stockholder's equity reflects an increased loss in 2001 of \$64,573 and decreased loss in 2004 in the same amount. The statement of cashflow has similar changes as the statement of operations. A summary of the changes in each period presented in these financial statements are as follows:

	Original file 12/31/03	Restate Filing 12/31/03	Original file 12/31/04	Restate Filing 12/31/04
Cash	\$ 14,033	\$ 14,033	\$ 32	\$ 32
Prepaid Expenses	22,500	22,500	707	707
Other Receivables	-	-	176,667	-
Property & Equipment	13,466	3,018	2,965	2,965
Patent Cost	57,406	57,406	-	-
Goodwill	68,243	14,118	-	-
Deposits	4,837	4,837	300	300
Investment in Mining Rights	-	-	50,000	50,000
Total Assets	\$ 180,485	\$ 115,912	\$ 230,671	\$ 54,004
Accounts Payable	\$ 74,170	\$ 74,170	\$ 75,258	\$ 75,258
Accrued Liabilities	288,058	288,058	173,909	173,909
Notes Payable	4,000	4,000	46,785	46,785
Minority Interest	40,182	40,182	-	-
Common Stock	687	687	752	752
Paid In Capital	3,520,685	3,520,685	3,660,620	3,660,620
Accumulated Deficit	(3,747,297)	(3,811,870)	(3,726,653)	(3,903,320)
Total Liabilities & Stockholders' Equity	\$ 180,485	\$ 115,912	\$ 230,671	\$ 54,004

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(a Development Stage Company)
Notes to the Consolidated Financial Statements
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NOTE 14 – Restatement of Financial Statements (Continued)

	Original File 12/31/04	Restated Filing 12/31/04	Original File 12/31/03	Restated Filing 12/31/03	Original File 12/31/02	Restated Filing 12/31/02
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	<u>167,908</u>	<u>167,908</u>	<u>385,002</u>	<u>385,002</u>	<u>176,848</u>	<u>176,848</u>
Operating (Loss)	(167,908)	(167,908)	(385,002)	(385,002)	(176,848)	(176,848)
Minority Interest	1,238	1,238	66,969	66,969	-	-
Other Income	-	10,000	-	70,000	-	-
Gain (Loss) on Investment	186,667	-	70,000	-	-	-
Interest Income (Expense)	(1,725)	(1,725)	(33,891)	(33,891)	(36,197)	(36,197)
Write Off of Patents	(39,648)	(39,648)	-	-	-	-
Write off of Goodwill	(14,118)	(14,118)	-	-	-	-
Gain (Loss) on Sale of Subsidiary	<u>56,138</u>	<u>120,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income	\$ <u>20,644</u>	\$ <u>(91,450)</u>	\$ <u>(281,904)</u>	\$ <u>(281,904)</u>	\$ <u>(213,045)</u>	\$ <u>(213,045)</u>
EPS	\$ <u>.00</u>	\$ <u>(.01)</u>	\$ <u>(.06)</u>	\$ <u>(.06)</u>	\$ <u>(.06)</u>	\$ <u>(.06)</u>

Effect of Restatement on Quarterly 10-Qs in 2004:

	Q1 2004 Original	Q1 2004 Restated	Q2 2004 Original	Q2 2004 Restated	Q3 2004 Original	Q3 2004 Restated
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	64,746	64,746	(51,595)	(51,959)	(2,473)	(2,473)
Other Expenses	<u>1,265</u>	<u>1,265</u>	<u>85,926</u>	<u>150,499</u>	<u>3</u>	<u>3</u>
Net Income (Loss)	\$ (63,481)	\$ (63,481)	\$ 34,331	\$ 98,904	\$ (2,470)	\$ (2,470)
EPS	\$ <u>(.01)</u>	\$ <u>(.01)</u>	\$ <u>.00</u>	\$ <u>.01</u>	\$ <u>(.00)</u>	\$ <u>(.00)</u>

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

On February 10, 2004, Solar Energy Limited ("Company") dismissed Chisholm & Associates ("Chisholm") the principal accountants previously engaged to audit the Company's financial statements and retained Chisholm, Bierwolf & Nilson, LLC ("Bierwolf") as the principal auditors to replace Chisholm. The Company's board of directors approved the change of accountants from Chisholm to Bierwolf.

The audit reports of Chisholm on the Company's financial statements for the fiscal years ending December 31, 2003 and December 31, 2002 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles, except such reports were modified to include an explanatory paragraph for a going concern uncertainty.

In connection with the audits of the fiscal years ending December 31, 2003 and December 31, 2002 including the subsequent interim periods since engagement through February 10, 2004, the date of dismissal, the Company had no disagreements with Chisholm with respect to accounting or auditing issues of the type discussed in Item 304(a)(iv) of Regulation S-B. Had there been any disagreements that were not resolved to their satisfaction, such disagreements would have caused Chisholm to make reference in connection with their opinion to the subject matter of the disagreement. In addition, during that time there were no reportable events (as defined in Item 304(a)(1)(iv) of Regulation S-B).

During the fiscal years ending December 31, 2003 and December 31, 2002 including the subsequent interim periods since engagement through February 10, 2004, the date of Chisholm's dismissal, and prior to the appointment of Bierwolf, the Company (or anyone on its behalf) did not consult with Bierwolf regarding any of the accounting or auditing concerns stated in Item 304(a)(2) of Regulation S-B. Since there were no disagreements or reportable events (as defined in Item 304(a)(2) of Regulation S-B), the Company did not consult Bierwolf in respect to these matters during the time periods detailed herein.

ITEM 8A. CONTROLS AND PROCEDURES

The Company's president acts both as the Company's chief executive officer and chief financial officer and is responsible for establishing and maintaining disclosure controls and procedures for the Company.

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, acting as our principal executive officer and principal financial officer, he evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"), as of December 31, 2004. Based on this original evaluation, our principal executive officer and our principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and adequately designed to ensure that the information required to be disclosed by us in the reports we submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms and that such information was accumulated and communicated to our chief executive officer and chief financial officer, in a manner that allowed for timely decisions regarding required disclosure.

However, subsequent to the filing of the Company's annual report our chief executive officer and chief financial officer concluded that certain financial information previously disclosed by the Company was inaccurate and warranted a restatement. The determination to restate the Company's financial statements was reached in connection with the Company's Form 10-KSB filing for the period ended December 31, 2004 and Form 10-QSB filings for the periods ended March 31, 2005 and June 30, 2005. Our principal executive officer and chief financial officer determined that a restatement was warranted due to a prior reported gain on the sale of a subsidiary that should have been deferred as unrealized due to a mutual cancellation provision made part of that transaction and a prior reported receivable that has since been adjusted to zero. Accordingly, the principal executive officer and chief financial officer determined that its disclosure controls and procedures for the periods ended December 31, 2004, March 31, 2005 and June 30, 2005 were ineffective and not adequately designed.

The auditors did not test the effectiveness of nor relied on the internal controls of the Company for the periods ended December 31, 2004 and 2003.

(b) Changes in Internal Controls

During the period ended December 31, 2004, there was no change in internal control over financial reporting that materially affected, or was reasonably likely to materially affect the Company's internal control over financial reporting.

However, subsequent to the filing of the Company's annual report our principal executive officer and chief financial officer concluded that changes will be made to internal controls over financial reporting which may materially affect our financial reporting. Our principal executive officer and chief financial officer will make certain proposals to the Company's board of directors to implement changes to safeguard against future errors in financial disclosure. The proposals include a segregation of the duties of principal executive officer and chief financial officer, and the formation of an audit committee. Our principal executive officer and chief financial officer believes that the segregation of a chief executive officer's duties from that of a chief financial officer and the formation of an audit committee would cause the Company to better evaluate the effectiveness of the design and operation of the Company's disclosure controls and procedures on a constant basis with the intention of discovering any potential misstatements prior to erroneous disclosure.

ITEM 8B. OTHER INFORMATION

None.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

<u>Name</u>	<u>Age</u>	<u>Position</u>
Andrew Wallace	56	chief executive officer, chief financial officer and director
Nora Coccaro	48	director
William Sherban	73	director

Andrew Wallace was appointed to the Company's board of directors in February of 2004, and has served as the Company's CFO since September 13, 2005 and the Company's CEO since October 6, 2005. Mr. Wallace will serve as a director until the next annual meeting of the Company's shareholders and until such time as a successor is elected and qualified.

Mr. Wallace attended the University of British Columbia Faculty of Business Administration and Commerce and has extensive business experience in real estate development. Mr. Wallace acted as a principal of RV Resort Management Consultants, Inc. and was instrumental in the development of the Spokane R V Resort between 2001 and 2003. Between 1998 and 2001, Mr. Wallace was a founding partner of Ontera R V Resorts, Inc., a development that re-positioned RV Resorts throughout California. Prior to joining Ontera R V Resorts, Mr. Wallace was a director of financing for Westone Properties, Inc., and was responsible for raising capital to fund real estate development projects in British Columbia.

Nora Coccaro was appointed to the Company's board of directors in February of 2004. Ms. Coccaro will serve as a director until the next annual meeting of the Company's shareholders and until such time as a successor is elected and qualified.

Ms. Coccaro attended medical school at the University of Uruguay before becoming involved in the management of public entities. Ms. Coccaro currently also serves as an officer and director of Sona Development Corp. an OTC: BB quoted company without a current business, from January 2000 to present, as an officer and director of Healthbridge, Inc. an OTC: BB quoted company involved in manufacturing and marketing medical waste sterilization and disposal technologies, from April 1999 to present and as an officer (October 2003 to present) and a director October 2003 to November 2003) of ASP Ventures Corp. an OTC: BB quoted company without current operations, from October 2003 to present. Ms. Coccaro has also served as an officer and director of OpenLimit, Inc., an OTC: BB quoted company involved in credit card encryption technology, from February 2000 to January 2004, as a director of Americana Gold & Diamond Holdings, Inc. an OTC: BB quoted company without current operations, from 1998 until May 1999 and as an officer and director of Black Swan Gold Mines, a Toronto Senior Listing company with diamond exploration activities in Brazil from 1997 until 1999. Since September 1998 Ms. Coccaro has also acted as the Consul of Uruguay to Western Canada.

William Sherban was appointed to the Company's board of directors October 6, 2005. Mr. Sherban will serve as a director until the next annual meeting of the Company's shareholders and until such time as a successor is elected and qualified.

Mr. Sherban was formally a partner at Thompson, Osen and Sherban, an insurance brokerage firm based in Vancouver, Canada during which time he was tribunialized with Lloyds of London. Over the last five years Mr. Sherban has been self-employed, engaged primarily as an investor in development stage companies.

The appointment of Mr. Sherban to the Company's board of directors was not based on any prior understanding or arrangement. The Company has not entered into any related transactions with Mr. Sherban except to authorize the issuance of twenty five thousand restricted common shares of the Company's stock to Mr. Sherban in consideration for his services as a director.

Compensation of Directors

The Company's directors were not compensated for their service as directors of the Company for the period ended December 31, 2004. Directors were not reimbursed for out-of-pocket costs incurred in attending meetings.

Board of Directors Committees

The board of directors has not yet established a formal audit committee or a compensation committee. An audit committee typically reviews, acts on and reports to the board of directors with respect to various auditing and accounting matters, including the recommendations and performance of independent auditors, the scope of the annual audits, fees to be paid to the independent auditors, and internal accounting and financial control policies and procedures. Certain stock exchanges currently require companies to adopt a formal written charter that establishes an audit committee that specifies the scope of an audit committee's responsibilities and the means by which it carries out those responsibilities. In order to be listed on any of these exchanges, the Company will be required to establish an audit committee. The board of directors has not yet established a compensation committee.

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of Forms 3, 4 and 5 furnished to the Company, the Company is unaware of an individuals or entities who during the period ended December 31, 2004 were directors, officers, or beneficial owners of more than ten percent of the common stock of the Company, and who failed to file, on a timely basis, reports required by Section 16(a) of the Securities Exchange Act of 1934.

Code of Ethics

The Company has adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-B of the Securities Exchange Act of 1934. The Code of Ethics applies to directors and senior officers, such as the principal executive officer, principal financial officer, controller, and persons performing similar functions. The Company has incorporated a copy of its Code of Ethics as Exhibit 14 to this Form 10-KSB/A. Further, the Company's Code of Ethics is available in print, at no charge, to any security holder who requests such information by contacting the Company.

ITEM 10. EXECUTIVE COMPENSATION.

Executive Compensation

Except as set forth below, no compensation in excess of \$100,000 was awarded to, earned by, or paid to any executive officer of the Company during the years 2004, 2003, and 2002. The following table and the accompanying notes provide summary information for each of the last three fiscal years concerning cash and non-cash compensation paid or accrued by the Company's current and past officers over the past three years.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Restricted Stock Award(s) (\$)	Securities Underlying Options SARs(#)	LTIP payouts (\$)	All Other Compensation (\$)
Andrew Wallace chief executive officer, financial officer and director*	2004	-	-	-	-	-	-	-
	2003	-	-	-	-	-	-	-
	2002	-	-	-	-	-	-	-
Peter Tsaparas chief executive officer, financial officer and director**	2004	-	-	-	-	-	-	-
	2003	-	-	-	-	-	-	-
	2002	-	-	-	-	-	-	-
Nora Coccaro, Chief Executive Officer, Chief Financial Officer and director ***	2004	-	-	-	-	-	-	-
	2003	-	-	-	-	-	-	-
	2002	-	-	-	-	-	-	-
Anthony Tucker, Chief Executive Officer, Chief Financial Officer and director****	2004	-	-	-	-	-	-	-
	2003	-	-	-	-	-	-	-
	2002	-	-	-	-	-	-	-
David Jones Chief Executive Officer, Chief Financial Officer and director*****	2004	-	-	-	-	-	-	-
	2003	-	-	-	-	-	-	-
	2002	-	-	-	-	-	-	-

* Andrew Wallace was appointed CEO in October of 2005 and CFO in September of 2005.

** Peter Tsaparas was served as CEO and CFO from November of 2004 until September of 2005.

*** Nora Coccaro was appointed CEO and CFO in August of 2004 and resigned in November of 2004

**** Anthony Tucker was appointed as CEO and CFO in February of 2004 and resigned in August of 2004.

***** David Jones resigned as an officer and director in February of 2004

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information concerning the ownership of the Company's common stock as of January 25, 2006, with respect to: (i) each person known to the Company to be the beneficial owner of more than five percent of the Company's common stock; (ii) all directors; and (iii) directors and executive officers of the Company as a group. The notes accompanying the information in the table below are necessary for a complete understanding of the figures provided below. As of January 25, 2006, there were 13,921,275 shares of common stock issued and outstanding.

Title of Class	Name and Address	Nature of Ownership	Number of Shares	% of Class
Common	Andrew Wallace, director 145-925 West Georgia Street, Vancouver, British Columbia V6C 3L2	Legal	50,000	<1
Common	William Sherban director 145-925 West Georgia Street, Vancouver, British Columbia V6C 3L2	Legal	20,000	<1
Common	Nora Cocco, director 1177 - 1818 West Hastings Street Vancouver, British Columbia Canada V6E 2K3	Legal	35,000	<1
Common	Green Journal Ltd. 1177 - 1818 West Hastings Street Vancouver, British Columbia Canada V6E 2K3	Legal	900,000	6.5
Common	Baycove Capital Corp. 7371 Brandywine Place Vancouver, British Columbia Canada V5S 3Z7	Legal	1,814,954	13.0
Common	Russ George 1181 Chess Drive, Suite H Foster City, California 944404	Legal	3,500,000	25.0
All executive officers and directors as a group (3)			0	<1

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On April 1, 2005 the Company entered into a consulting agreement with Nelson Skalbania, a shareholder affiliated with the Company. The terms of the consulting agreement provide for compensation in the amount of 500,000 shares of common stock to be issued to Mr. Skalbania within 90 days of the execution of the agreement. The common stock has not yet been issued.

On September 2, 2003 the Company authorized the issuance of 500,000 shares of common stock to Green Journal, Ltd. valued at \$0.30 in settlement of an amount due of \$150,000 incurred pursuant to loans made to the Company, relying on exemptions provided by Regulation S and Section 4(2) of the Securities Act of 1933 ("Securities Act"), as amended.

On September 2, 2003 the Company authorized the issuance of 2,114,954 shares of common stock to Bay Cove Capital Corp. valued at \$0.30 in settlement of an amount due of \$634,486 incurred pursuant to loans made to the Company, relying on exemptions provided by Regulation S and Section 4(2) of the Securities Act of 1933 ("Securities Act"), as amended.

ITEM 13. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits beginning on page 26 of this Form 10-KSB/A, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

Chisholm, Bierwolf & Nilson, LLC provided audit services to the Company in connection with its annual report for the fiscal year ended December 31, 2004. Chisholm & Associates provided audit services to the Company in connection with the Company's annual report for the fiscal year ended 2003. The aggregate fees billed by Chisholm, Bierwolf & Nilson, LLC for the 2004 audit of the Company's annual financial statements and a review of the Company's quarterly financial statements was \$10,000. The aggregate fees billed by Chisholm & Associates for the 2003 audit of the Company's annual financial statements and a review of the Company's quarterly financial statements was approximately \$10,000.

Audit Related Fees

Chisholm, Bierwolf & Nilson, LLC billed to the Company no fees in 2004 for professional services that are reasonably related to the audit or review of the Company's financial statements that are not disclosed in "Audit Fees" above. Chisholm & Associates billed to the Company no fees in 2003 for professional services that are reasonably related to the audit or review of the Company's financial statements that are not disclosed in "Audit Fees" above.

Tax Fees

Chisholm, Bierwolf & Nilson billed to the Company fees of \$0 in 2004 for professional services rendered in connection with the preparation of the Company's tax returns for the period. Chisholm & Associates billed to the Company fees of \$0 in 2003 for professional services rendered in connection with the preparation of the Company's tax returns for the period.

All Other Fees

Chisholm, Bierwolf & Nilson, LLC billed to the Company no fees in 2004 for other professional services rendered or any other services not disclosed above. Chisholm & Associates billed to the Company no fees in 2003 for other professional services rendered or any other services not disclosed above.

Audit Committee Pre-Approval

The Company does not have a standing audit committee. Therefore, all services provided to the Company by Chisholm, Bierwolf & Nilson and Chisholm & Associates as detailed above, were pre-approved by the Company's board of directors. Chisholm, Bierwolf & Nilson and Chisholm & Associates performed all work only with their permanent full time employees.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 25th day of January, 2006.

Solar Energy Limited

/s/ Andrew Wallace

By: Andrew Wallace

Its: Chief Executive Officer, Chief Financial Officer, Principal
Accounting Officer and Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Nora Coccaro</u> Nora Coccaro	Director	January 25, 2006
<u>/s/ Andrew Wallace</u> Andrew Wallace	Director	January 25, 2006
<u>/s/ William Sherban</u> William Sherban	Director	January 25, 2006

EXHIBITS

<u>EXHIBIT NO.</u>	<u>PAGE NO.</u>	<u>DESCRIPTION</u>
3(i)	*	Articles of Incorporation (incorporated by reference to the Company's Form 10-SB filed with the Securities and Exchange Commission on January 28, 1999)
3(ii)	*	By-laws (incorporated herein by reference to the Company's Form 10-SB filed with the Commission on January 28, 1999)
10(i)	*	Debt Settlement Agreement dated August 27, 2003 between the Company and Bay Cove Capital Corporation (incorporated by reference to the Company's Form 10-KSB filed with the Securities and Exchange Commission on April 1, 2004)
10(ii)	*	Stock Purchase Agreement dated April 27, 2004 between Renewable Energy Limited, Los Alamos Renewable Energy , LLC, Renewable Energy Corporation and the Company (incorporated by reference to the Company's Form 10-QSB filed with the Securities and Exchange Commission on August 24, 2004).
10(iii)	*	Acquisition Agreement with Planktos, Inc., dated August 10, 2005 (incorporated by reference to the Company's Form 8-K filed with the Commission on August 19, 2005)
10(iv)	*	Acquisition Agreement with D2Fusion Inc., dated August 18, 2005 (incorporated by reference to the Company's Form 8-K filed with the Commission on August 19, 2005)
14	*	Code of Ethics adopted March 30, 2004 (incorporated herein by reference to Form 10-KSB dated April 1, 2004)
23	27	Chisholm, Bierwolf & Nilson, LLC.'s consent to the incorporation by reference on Form S-8 filed with the Commission on December 13, 2004 of their report dated May 9, 2005, except for Note 14, 1(c.) (e.), 5 and 7, dated January 13, 2006 with respect to the Company's audited financial statements for the year ended December 31, 2004.
31	28	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-15(e) and 15d-15(e) of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	29	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Incorporated herein by reference

EXHIBIT 23

CHISHOLM, BIERWOLF & NILSON

Certified Public Accountants

A Limited Liability

533 W. 2600 S., Suite 250

Office (801) 292-8756

Partnership

Bountiful, Utah 84010

Fax (801) 292-8809

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use of our report dated May 9, 2005 except for Note 14, 1(c.)(e.), 5 and 7, dated January 13, 2006 with respect to the consolidated financial statements included in the Form 10-KSB of Solar Energy Limited for the fiscal year ended December 31, 2004.

/s/ Chisholm, Bierwolf & Nilson, LLC

Chisholm, Bierwolf & Nilson, LLC
Bountiful, UT
January 24, 2006.

EXHIBIT 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Wallace, chief executive officer and chief financial officer of Solar Energy Limited.
("Registrant") certify that:

1. I have reviewed this Annual Report on Form 10-KSB/A ("Report") of Registrant;
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 period presented in this Report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Report is being prepared;
 - b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report my 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
 - c) 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 registrants 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. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of 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 controls 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 controls over financial reporting.

Date: January 25, 2006

/s/ Andrew Wallace

Andrew Wallace, Chief Executive Officer and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-KSB/A of Solar Energy Limited (“Registrant”) for the annual period ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (“Report”), I, Andrew Wallace, chief executive officer and chief financial officer, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) This Report complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly represents, in all material respects, the financial condition of Registrant at the end of the period covered by this Report and results of operations of Registrant for the period covered by this Report.

/s/ Andrew Wallace

Andrew Wallace

Chief Executive Officer and Chief Financial Officer

January 25, 2006

This certification accompanies this Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.