Alternative Energy Partners, Inc.
Form 10-Q
March 17, 2010

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

FORM 10-Q

x Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the quarterly period ended: January 31, 2010

o Transition Report under Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the transition period from: _______ to _______

Commission file number: 333-154894

ALTERNATIVE ENERGY PARTNERS, INC.
(Exact name of small business issuer as specified in its charter)

FLORIDA	26-2862564
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. Number)

2400 E Commercial Boulevard, Suite 201, Fort Lauderdale, FL 33308
(Address of principal executive offices)

(954) 351-2554
(Issuer’s telephone number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days: Yes x No 0

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No 0

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

Large accelerated filer	0	Accelerated filer 0

Non-accelerated filer 0 Smaller reporting company x
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes x No 0

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of March 15, 2010, there were 44,547,000 shares of our common stock outstanding.

INDEX

Item 1. Financial Statements

Alternative Energy Partners, Inc.
(A Development Stage Company)
Financial Statements
January 31, 2010
(Unaudited)

CONTENTS

Alternative Energy Partners, Inc.
(A Development Stage Company)
Balance Sheets

		January 31, 2010 (Unaudited)			July 31, 2009 (Audited)	
		Assets				
Current Assets						
Cash	$	361		$	66,919	
Total Current Assets		361			66,919	
Total Assets	$	361		$	66,919	
Liabilities and Stockholders' Equity (Deficit)						
Current Liabilities						
Accounts payable	$	11,654		$	4,067	
Accrued liabilities		56			2,716	
Total Current Liabilities		11,710			6,783	
Stockholders' Equity (Deficit)						
Common stock, $0.0001 par value, 75,000,000 shares authorized;						
44,547,000 and 67,047,000 shares issued and outstanding		4,455			6,705	
Additional paid-in capital		111,495			109,245	
Deficit accumulated during the development stage		(127,299	)		(55,814	)
Total Stockholders' Equity (Deficit)		(11,349	)		60,136	
Total Liabilities and Stockholders' Equity (Deficit)	$	361		$	66,919	

-4-

Alternative Energy Partners, Inc.
(A Development Stage Company)
Statements of Operations
(Unaudited)

	For the Three Months Ended January 31,		For the Six Months Ended January 31,		For the Period from April 28, 2008 (Inception) to January 31, 2010
	2010	2009	2010	2009	
Revenues	$-	$-	$-	$-	$-
General and administrative	7,300	4,004	71,485	7,397	127,299
Net loss	$(7,300)	$(4,004)	$(71,485)	$(7,397)	$(127,299)
Net loss per share - basic and diluted	$-	$-	$(0.00)	$(0.00)	$(0.00)
Weighted average number of shares outstanding during the period - basic and diluted	44,547,000	22,127,000	45,653,557	66,259,393	60,490,406

-5-

Alternative Energy Partners, Inc.
(A Development Stage Company)
Statement of Changes in Stockholders' Equity (Deficit)
For the period from April 28, 2008 (Inception)
to January 31, 2010
(Unaudited)

	Common Stock, $0.0001 Par Value		Additional Paid In Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity
	Shares	Amount			
Proceeds from the issuance of common stock - founders - ($0.00003/share)	66,000,000	$6,600	$(4,400)	$ -	$ 2,200
Proceeds from the issuance of common stock ($0.08/share)	78,000	8	6,492	-	6,500
Net loss for the period from April 28, 2008 (inception) to July 31, 2008	-	-	-	(3,000)	(3,000)
Balance - July 31, 2008	66,078,000	6,608	2,092	(3,000)	5,700
Stock issued for services ($0.005/share)	300,000	30	1,470	-	1,500
Proceeds from the issuance of common stock ($0.08/share)	69,000	7	5,743	-	5,750
Proceeds from the issuance of common stock ($0.17/share)	600,000	60	99,940	-	100,000
Net loss for the year ended July 31, 2009	-	-	-	(52,814)	(52,814)
Balance - July 31, 2009	67,047,000	6,705	109,245	(55,814)	60,136
Cancellation of common stock - founders ($0.0001/share)	(22,500,000)	(2,250)	2,250	-	-
Net loss for the period ended January 31, 2010	-	-	-	(71,485)	(71,485)
Balance - January 31, 2010	44,547,000	$4,455	$111,495	$ (127,299)	$ (11,349)

Alternative Energy Partners, Inc.
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	For the Six Months Ended January 31, 2010	2009	For the Period from April 28, 2008 (Inception) to January 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(71,485)	$(7,397)	$(127,299)
Adjustments to reconcile net loss to net cash used in operating activities:			
Issuance of common stock for services rendered	-	1,500	1,500
Changes in operating assets and liabilities:			
Prepaid	-	(315)	-
Increase in accounts payable	7,587	1,551	11,654
Increase (Decrease) in accrued liabilities	(2,660)	-	56
Net Cash Used In Operating Activities	(66,558)	(4,661)	(114,089)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	-	250	114,450
Net Cash Provided By Financing Activities	-	250	114,450
Net Increase (Decrease) in Cash	(66,558)	(4,411)	361
Cash - Beginning of Period	66,919	5,700	-
Cash - End of Period	$361	$1,289	$361
SUPPLEMENTARY CASH FLOW INFORMATION:			
Cash Paid During the Period for:			
Income taxes	$-	$-	$-
Interest	$-	$-	$-

Alternative Energy Partners, Inc.
(A Development Stage Company)
Notes to Financial Statements
January 31, 2010
(Unaudited)

Note 1 Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation.

The unaudited interim financial statements should be read in conjunction with the Company's Annual Report on Form 10-K, which contains the audited financial statements and notes thereto, together with the Management's Discussion and Analysis, for the year ended July 31, 2009. The interim results for the period ended January 31, 2010 are not necessarily indicative of results for the full fiscal year.

Note 2 Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Alternative Energy Partners, Inc. (the "Company") was incorporated in the State of Florida on April 28, 2008.

The Company intends to become involved in the alternative energy sector. The Company is searching to acquire emerging growth companies to meet growing demands worldwide in the alternative energy sector.

Development Stage

The Company's financial statements are presented as those of a development stage enterprise. Activities during the development stage primarily include equity based financing and further implementation of the business plan. The Company has not generated any revenues since inception.

Risks and Uncertainties

The Company intends to operate in an industry that is subject to rapid technological change. The Company's operations will be subject to significant risk and uncertainties including financial, operational, technological, regulatory and other risks associated with a development stage company, including the potential risk of business failure.

Alternative Energy Partners, Inc.
(A Development Stage Company)
Notes to Financial Statements
January 31, 2010
(Unaudited)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

A significant estimate in 2010 and 2009 included a 100% valuation allowance for deferred taxes due to the Company's continuing and expected future losses.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. At January 31, 2010 and July 31, 2009, respectively, the Company had no cash equivalents.

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. At January 31, 2010 and July 31, 2009, respectively, there were no balances that exceeded the federally insured limit.

Earnings per Share

In accordance with accounting guidance now codified as FASB ASC Topic 260, "Earnings per Share," Basic earnings per share ("EPS") is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock options or warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of stock options or warrants), and convertible debt or convertible preferred stock, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive. The computation of basic and diluted loss per share for the period from April 28, 2008 (inception) to January 31, 2010, is equivalent since the Company has had continuing losses. The Company also has no common stock equivalents.

Alternative Energy Partners, Inc.
(A Development Stage Company)
Notes to Financial Statements
January 31, 2010
(Unaudited)

Share Based Payments

Generally, all forms of share-based payments, including stock option grants, restricted stock grants and stock appreciation rights, are measured at their fair value on the awards' grant date, and based on the estimated number of awards that are ultimately expected to vest. Share-based payment awards issued to non-employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable. The expense resulting from share-based payments are recorded as a component of general and administrative expense.

Segment Information

During the fiscal years 2010 and 2009, the Company only operated in one segment; therefore, segment information has not been presented.

Fair Value of Financial Instruments

The carrying amounts of the Company's short-term financial instruments, including accounts payable and accrued liabilities, approximate fair value due to the relatively short period to maturity for these instruments.

Recent Accounting Pronouncements

In April 2009, the FASB issued guidance now codified as FASB ASC Topic 820, "Fair Value Measurements and Disclosures," which amends previous guidance to require disclosures about fair value of financial instruments in interim as well as annual financial statements in the current economic environment. This pronouncement was effective for periods ending after June 15, 2009. The adoption of this pronouncement did not have a material impact on the Company's business, financial condition or results of operations; however, these provisions of FASB ASC Topic 820 resulted in additional disclosures with respect to the fair value of the Company's financial instruments.

In May 2009, the FASB issued guidance now codified as FASB ASC Topic 855, "Subsequent Events," which establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This pronouncement was effective for interim or fiscal periods ending after June 15, 2009. The adoption of this pronouncement did not have a material impact on the Company's business, results of operations or financial position; however, the provisions of FASB ASC Topic 855 resulted in additional disclosures with respect to subsequent events.

In June 2009, the Financial Accounting Standards Board (FASB) issued guidance now codified as FASB Accounting Standards Codification (ASC) Topic 105, "Generally Accepted Accounting Principles," as the single source of authoritative non-governmental U.S. GAAP. FASB ASC Topic 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the FASB Codification will be considered non-authoritative. These provisions of FASB ASC Topic 105 were effective for interim and annual periods ending after September 15, 2009 and, accordingly, were effective for the Company for the current fiscal reporting period. The adoption of this pronouncement did not have an impact on the Company's business, financial condition or results of operations, but will impact the Company's financial reporting process by eliminating all references to pre-codification standards. On the effective date of FASB ASC Topic 105, the Codification superseded all then-existing non-SEC accounting and reporting standards, and all other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative.

Alternative Energy Partners, Inc.
(A Development Stage Company)
Notes to Financial Statements
January 31, 2010
(Unaudited)

In January 2010, the Financial Accounting Standards Board ("FASB") issued updated guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. This update also requires a reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition to these new disclosure requirements, this update clarifies certain existing disclosure requirements. For example, this update clarifies that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities rather than each major category of assets and liabilities. This update also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. This update will become effective for the Company with the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for the Company with the interim and annual reporting period beginning January 1, 2011. The Company will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update will not have a material effect on the Company's consolidated financial statements.

Note 3 Going Concern

As reflected in the accompanying financial statements, the Company has a net loss of $71,485 and net cash used in operations of $66,558 for the six months ended January 31, 2010; and a working capital deficit of $11,349 and a stockholders’ deficit of $11,349 at January 31, 2010.

These factors, among others, raise doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not include any adjustments related to recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

In response to these problems, management has taken the following actions:

• the Company is seeking third party debt and/or equity financing; and

• the Company is cutting operating costs

Note 4 Fair Value

The fair value of the Company's financial assets and liabilities reflects the Company's estimate of amounts that it would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from sources independent from the Company) and to minimize the use of unobservable inputs (the Company's assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on the Company's assessment of the assumptions that market participants would use in pricing the asset or liability.

Alternative Energy Partners, Inc.
(A Development Stage Company)
Notes to Financial Statements
January 31, 2010
(Unaudited)

The Company's investment strategy is focused on capital preservation. The Company intends to invest in instruments that meet credit quality standards. The current expectation is to maintain cash and cash equivalents, once these resources are available.

At January 31, 2010, and July 31, 2009, respectively the Company has no instruments that require additional disclosure.

Note 5 Lease Agreement

On August 15, 2009, the Company entered into an operating lease for office space. This lease expires on August 15, 2014 and has an option to extend the lease for an additional 3 years at the end of the 5th year. On September 25, 2009, the Company paid a $9,000 security deposit associated with the execution of this lease.

Effective November 15, 2009, the landlord terminated the lease with the Company with no recourse or arrears owing. The $9,000 used as a security deposit was utilized to pay the three months of rent.

Note 6 Advances – Related Party

During September and October 2009, the Company advanced $5,000 to its Chairman and CEO. These loans were non-interest bearing, unsecured and due on demand. These loans were repaid in October 2009.

Note 7 Stockholders' Equity (Deficit)

In May 2008, the Company issued 66,000,000 shares of common stock to founders for $2,200 ($0.00003/share). On August 10, 2009, the Company cancelled 22,500,000 shares of common stock, having a fair value of $750 ($0.00003/share), held by a founder for no additional consideration.

During the period May – July 2008, the Company issued 78,000 shares of common stock for $6,500 ($0.08/share), under a private placement.

During August 2008, the Company issued 3,000 shares of common stock for $250 ($0.08/share), under a private placement.

During October 2008, the Company issued 300,000 shares of common stock for services rendered for $1,500 ($0.005/share), based upon the fair value of the services provided, for consulting services. The fair value of the services provided reflect a more readily determinable fair value than the shares issued in recent cash transactions with third parties. At July 31, 2009, the Company expensed this stock issuance as a component of general and administrative expense.
On January 31, 2009, the Company issued 66,000 shares of common stock for $5,500 ($0.08/share), under a private placement.

On April 15, 2009, the Company issued 600,000 shares of common stock for $100,000 ($0.17/share), under a private placement.

On August 5, 2009, the Company effected a stock dividend. Each stockholder of record as of August 19, 2009 received 2 shares of common stock for each share of common stock they owned. All share and per share amounts have been retroactively restated.

On November 10, 2009, the Company amended its articles of incorporation to increase the authorized common stock to 75,000,000 shares.

Note 8 Subsequent Events

During February 28, 2010, the Company received an advance of $10,000, from an affiliated entity. The advance bears interest at 8%, is unsecured and due on demand.

The Company has evaluated for subsequent events between the balance sheet date of January 31, 2010 and March 15, 2010, the date the financial statements were issued.

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

The following discussion includes certain forward-looking statements within the meaning of the safe harbor protections of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that include words such as "believe," "expect," "should," "intend," "may," "anticipate," "l "contingent," "could," "may," or other future-oriented statements, are forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding our business plans, strategies and objectives, and, in particular, statements referring to our expectations regarding our ability to continue as a going concern, generate increased market awareness of, and demand for, our current products, realize profitability and positive cash flow, and timely obtain required financing. These forward-looking statements involve risks and uncertainties that could cause actual results to differ from anticipated results. The forward-looking statements are based on our current expectations and what we believe are reasonable assumptions given our knowledge of the markets; however, our actual performance, results and achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Factors within and beyond our control that could cause or contribute to such differences include, among others, our critical capital raising efforts in an uncertain and volatile economical environment, our ability to maintain relationship with strategic companies, our cash preservation and cost containment efforts, our ability to retain key management personnel, our relative inexperience with advertising, our competition and the potential impact of technological advancements thereon, the impact of changing economic, political, and geo-political environments on our business, as well as those factors discussed elsewhere in this Form 10-Q and in "Item 1 - Our Business," "Item 6 - Management's Discussion and Analysis," and elsewhere in our most recent Form 10-K, filed with the United States Securities and Exchange Commission.

Readers are urged to carefully review and consider the various disclosures made by us in this report and those detailed from time to time in our reports and filings with the United States Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that are likely to affect our business.

Our Business

Alternative Energy Partners, Inc. (the "Company") is a development stage company. The Company was organized under the laws of the State of Florida on April 28, 2008. We formed our Company for the purpose of establishing a renewable fuel sources initially within the State of Florida. Ethanol is our initial intended product and we intend to establish other alternative energy products including, but not limited to, solar and biodiesel. Our intended products, while not technically difficult to produce, must meet all regulatory requirements prior to being marketed. Moreover, there is a multitude of competitive products already in the market place.

Current Business of the Company

We are a development stage company which plans to enter into the business of sourcing, marketing and distribution of renewable biofuels. Initially we intend to work to source raw materials needed for the domestic manufacture of ethanol in South Florida. We entered into a Letter of Intent with Cane Fuel, Inc., whereby we had intended to enter into agreements to provide sufficient quantities of ethanol feedstock derived from sources other than corn. Such agreements were intended to be joint venture agreements whereby we could work to provide feedstock for ethanol production and participate in the distribution of the blended product. We intended to work with a strategic partner to develop a plant having substantial production capability of ethanol. The proposed plant would have production capability of 50 million gallons of ethanol annually. The ethanol expected to be produced is intended to be used by refineries or blenders and ultimately blended with gasoline for internal combustion engines. We intend to work with sugar cane, sweet sorghum and other available sources of cellulosic materials to produce ethanol. Our strategic partner has not commenced land acquisition and plant development as of the date hereof. The Company is still pursuing opportunities in the ethanol industry.

Our business model recognizes that the vast majority of agricultural enterprises use distillate fuel oil in their respective operations. We believe our intended products could represent a real alternative and, because most of the constituent components will be domestically produced, a more stable and cost effective source for the U.S. consumer. Ethanol is a renewable biofuel for which demand is increasing throughout the U.S. Ethanol refineries are expected to increase production capacities in an effort to decrease dependence on foreign oil.

The vast majority of all agricultural enterprises use distillate fuel oil in their operations. We believe our intended biofuel and alternative energy products could represent a real alternative and, because most of the constituent components will be domestically produced, a more stable and cost effective source for their fuel energy needs.

Initially, our largest target market is intended to be the consumers able to utilize ethanol as the primary blend component in E85, an unleaded gasoline alternative. In order to reach that market, we must begin by establishing and proving that our fuel reliable and as easily distributed as current competitors. For any alternative energy product (i.e. solar, biodiesel), we intend to prove market viability prior to engaging in distribution.

Plan of Operation

We are a development stage company which plans to enter into the business of sourcing, marketing and distribution of renewable biofuels and alternative energy products. Initially we intend to work to source raw materials needed for the domestic manufacture of ethanol in South Florida. We have entered into a Letter of Intent with Cane Fuel, Inc., whereby we intended to enter into agreements to provide sufficient quantities of ethanol feedstock derived from sources other than corn. Such agreements were intended to be joint venture agreements whereby we can work to provide feedstock for ethanol production and participate in the distribution of the blended product. As of the date hereof, our strategic partner (Cane Fuel) has not commenced the property acquisition and development of an ethanol plant and will not for the foreseeable future.

On January 1, 2009, we entered into a Distribution Agreement (the “Agreement”) with Cutversion Technologies Corp. (“Cutversion”) whereby the Company, upon EPA approval, has the right to market and sell an E-85 ethanol conversion kit in the Southeastern U.S. The conversion kit, when completed and approved, will allow all fuel injected vehicles to run on virtually any form of E-85 ethanol regardless of feedstock source. The Company can maintain its exclusive arrangement with Cutversion through the sale of a minimum of 1000 kits within the 12 month period from the time final product becomes available for sale under EPA requirements. The Agreement is effective for a term of three (3) years and continued thereafter for successive one year terms . The conversion kit is not ready for sale and distribution as of the date hereof.

Our business model recognizes that the vast majority of agricultural enterprises use distillate fuel oil in their respective operations. We believe our intended product(s) could represent a real alternative and, because most of the constituent components will be domestically produced, a more stable and cost effective source for the U.S. consumer. Ethanol is a renewable biofuel for which demand is increasing throughout the U.S. Ethanol refineries are expected to increase production capacities in an effort to decrease dependence on foreign oil.

The vast majority of all agricultural enterprises use distillate fuel oil in their operations. We believe our intended biofuel product(s) could represent a real alternative and, because most of the constituent components will be domestically produced, a more stable and cost effective source for their fuel energy needs.

We have also pursued other alternative energy products in the areas of solar and biodiesel.

Results of Operations for Period Ended January 31, 2010

As of January 31, 2010, the Company has earned revenues of $0 and has incurred a net loss since inception of $127,299. Operations have been attributed primarily to start up and business development.

During the six month period ended January 31, 2010, we incurred operating expenses in the amount of $71,485. These operating expenses included professional fees and office and general expenses.

Liquidity and Capital Resources

To date, we have financed our operations from funds raised from private investment and publicly registered shares. As of January 31, 2010, we had cash on hand of $361

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We believe that the following critical policies affect our more significant judgments and estimates used in preparation of our financial statements.

Furniture and equipment are recorded at cost and depreciated on a declining balance and straight-line basis over their estimated useful lives, principally two to seven years. Accelerated methods are used for tax depreciation. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When furniture and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

The Company has incurred deferred offering costs in connection with raising additional capital through the sale of its common stock. These costs are capitalized and charged against additional paid-in capital when common stock is issued. If there is no issuance of common stock, the costs incurred are charged to operations.

Research and development costs are charged to operations when incurred and are included in operating expenses.

New Accounting Pronouncements

In April 2009, the FASB issued guidance now codified as FASB ASC Topic 820, “Fair Value Measurements and Disclosures,” which amends previous guidance to require disclosures about fair value of financial instruments in interim as well as annual financial statements in the current economic environment. This pronouncement was effective for periods ending after June 15, 2009. The adoption of this pronouncement did not have a material impact on the Company’s business, financial condition or results of operations; however, these provisions of FASB ASC Topic 820 resulted in additional disclosures with respect to the fair value of the Company’s financial instruments.

In May 2009, the FASB issued guidance now codified as FASB ASC Topic 855, “Subsequent Events,” which establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This pronouncement was effective for interim or fiscal periods ending after June 15, 2009. The adoption of this pronouncement did not have a material impact on the Company’s business, results of operations or financial position; however, the provisions of FASB ASC Topic 855 resulted in additional disclosures with respect to subsequent events.

In June 2009, the Financial Accounting Standards Board (FASB) issued guidance now codified as FASB Accounting Standards Codification (ASC) Topic 105, “Generally Accepted Accounting Principles,” as the single source of authoritative non-governmental U.S. GAAP. FASB ASC Topic 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the FASB Codification will be considered non-authoritative. These provisions of FASB ASC Topic 105 were effective for interim and annual periods ending after September 15, 2009 and, accordingly, were effective for the Company for the current fiscal reporting period. The adoption of this pronouncement did not have an impact on the Company’s business, financial condition or results of operations, but will impact the Company’s financial reporting process by eliminating all references to pre-codification standards. On the effective date of FASB ASC Topic 105, the Codification superseded all then-existing non-SEC accounting and reporting standards, and all other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative.

In January 2010, the Financial Accounting Standards Board ("FASB") issued updated guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. This update also requires a reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition to these new disclosure requirements, this update clarifies certain existing disclosure requirements. For example, this update clarifies that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities rather than each major category of assets and liabilities. This update also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. This update will become effective for the Company with the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for the Company with the interim and annual reporting period beginning January 1, 2011. The Company will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update will not have a material effect on the Company's consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market

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

Item 4. Controls and Procedures

The Company's Chief Executive Officer, also serving as Chief Financial Officer and Principal Accounting Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of and for the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, management concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective. The controls were determined to be ineffective due to the lack of segregation of duties. Currently, the Chief Executive Officer serves in the capacity of Chief Financial Officer and Principal Accounting Officer and there is no segregation of duties and there is no independent audit committee. Until such time as the Company has received additional funding, it will be unable to remediate the weakness.

Changes in Internal Control Over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the six months ended January 31, 2010, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Neither the Company nor any of our officers or directors are involved in any litigation either as plaintiffs or defendants and we have no knowledge of any threatened or pending litigation against us or any of our officers or directors.

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

During the six months ended January 31, 2010, we have conducted no sales of the Company's equity securities.

Item 3. Defaults Upon Senior Securities

There were no defaults since we have no debt and no senior securities outstanding.

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

There were no matters submitted to a vote of our shareholders.

Item 5. Other Information.

On February 24, 2010, Registrant's Board of Directors approved the entry into an Acquisition Agreement to acquire all of the outstanding shares of Sunarias Corporation, as a result of which Sunarias will become a wholly-owned subsidiary of Registrant. Closing of the acquisition is subject to the satisfactory completion of due diligence by both Registrant and Sunarias and is expected shortly.

Sunarias Corporation is a California corporation engaged in thermal and solar energy management. Sunarias marries absorption chilling and solar thermal technologies to provide commercial buildings with energy efficiency at a lower cost. Sunarias assists commercial entities in hedging against extraordinary utility costs, and may be appropriate for use by schools, hospitals, or municipal buildings, among others.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
31	Certification of Chief Executive/Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive/Financial Officer pursuant to Section 906

SIGNATURE

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Alternative Energy Partners, Inc.

Date: March 17, 2010

/s/ Jack L. Stapleton
Jack L. Stapleton
Principal Executive Officer
Principal Financial Officer
Principal Accounting Officer
and Director