High Velocity Alternative Energy Corp
Form 10QSB
January 24, 2008

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

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15 (D) of the Securities Act of 1934
for the quarterly period ended: March 31, 2007

Commission File number: 000-49950

High Velocity Alternative Energy Corp.
(Exact name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of Incorporation or organization)

98-0232018
(IRS Employee Identification No.)

14 Garrison Inn Lane
Garrison, NY 10524
(845) 424-4100
(Address of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 o

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock, $0.001 par value	2,194,139
(Class)	(Outstanding as of January 9, 2008)

Triton Petroleum Group, Inc.
Form 10-QSB

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Part I: Financial Information

Item
1. Financial Statements

Triton Petroleum Group, Inc.

Condensed Consolidated Financial Statements

March 31, 2007

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Triton Petroleum Group, Inc.
Condensed Consolidated Balance Sheet
March 31, 2007
(Unaudited)

Assets		
Current Assets:		
Cash and cash equivalents	$	5,790
Trade accounts receivable, net of allowance of $42,700 for doubtful accounts		258,142
Advances to others		19,500
Prepaid assets		11,537
Inventory		384,166
Total Current Assets		679,135
Equipment, net of accumulated depreciation of $5,535		533
Other Assets		14,700
Total Assets	$	694,368
Liabilities and Stockholders' Deficiency		
Current Liabilities:		
Book overdraft	$	20,965
Trade accounts payable		2,283,905
Accrued interest		302,142
Accrued expenses		390,620
Advances from former president of subsidiary		327,915
Convertible notes payable		550,000
Loans payable to officers/stockholders		228,390
Total Current Liabilities		4,103,937
Stockholders' Deficiency:		
Preferred Stock, $.001 par value (series A and B); 6,500,000 shares authorized;1,495,085 shares issued and outstanding		1,495
Common stock, $0.001 par value; 100,000,000 shares authorized 38,354,000 shares issued and outstanding		35,504
Additional paid-in capital		19,699,818
Accumulated deficit		(23,146,386)
Total Stockholders' Deficiency		(3,409,569)
Total Liabilities and Stockholders' Deficiency	$	694,368

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

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Triton Petroleum Group, Inc.
Condensed Consolidated Statements of Operations

	Three Months Ended March 31,	
	(Unaudited) 2007	(Unaudited) 2006
Net sales	$ 493,995	686,845
Cost of goods sold	405,007	481,478
Gross Profit	88,988	205,367
Selling General and Administrative Expenses	467,061	524,615
Loss Before Other Income (Expense)	(378,073)	(319,248)
Other Income (Expense):		
Interest expense	(66,805)	(38,189)
Bad debt expense	(20,000)	-
Total Other Income (Expense)	(86,805)	(38,189)
Net Loss	$ (464,878)	$ (357,437)
Loss per share - basic	(.018)	(0.02)
- fully diluted	(.008)	(.02)

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

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Triton Petroleum Group, Inc.
Condensed Consolidated Statements of Cash Flows
Three Month Periods Ended March 31, 2007 and 2006

	(Unaudited) March 31, 2007	(Unaudited) March 31, 2006
Net cash flows from operating activities	$ (118,229)	$ 20,832
Cash flows from financing activities:		
Proceeds from loans payable	93,000	-
Repayment of loans payable to officers/stockholders	-	(14,000)
Repayment of notes payable, banks and others	-	(6,832)
Net cash provided (used) by financing activities	93,000	(20,832)
Decrease in cash and cash equivalents	(25,229)	-
Cash and cash equivalents - beginning of period	31,019	-
Cash and cash equivalents - end of period	$ 5,790	$ -

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

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Triton Petroleum Group, Inc.
Notes to the Condensed Consolidated Financial Statements
For the Three Month Period Ended March 31, 2007
(Unaudited)

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Item 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ended December 31, 2007. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 2006.

GOING CONCERN

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As reflected in the condensed consolidated financial statements, the Company has incurred recurring net losses from operations, an accumulated deficit, andrecurring negative cash flows from operations. Further, at March 31, 2007, current liabilities exceed current assets by approximately $3,425,000 and total liabilities exceed total assets by approximately $3,409,000. Its ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due. These factors all raise substantial doubt about the ability of the Company to continue as a going concern.

Management's plan in regard to the going concern issues it to raise additional capital through new debt and equity financing in conjunction with future acquisitions.

PREFERRED STOCK

The Company, effective February 21, 2007, authorized the filingof a Certificate of Designation with the Secretary of State of the State of Nevada, establishing a “Series B Cumulative Convertible Preferred Stock”(Series B) of 1,500,000 shares. The Series B preferred stock ranks senior to any other series of Preferred stock, on a parity with any other series of Preferred stock established by the board stating such rank, and prior to any other equity securities of the Company. Each share of Series B shall have voting rights equal to 45shares of common stock. The Series B preferred stockholders are entitled to receive, in the event of liquidation, dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary an amount equal to $1 for each share outstanding plus all accrued but unpaid dividends thereon to the date fixed for liquidation, dissolution or winding up. Each share of Series B preferred stock is convertible, in whole or in part at the option of the holders, into shares of common stock at a conversion rate of 45 shares of common stock for each share of Series B preferred stock (see note regarding stock split below).

On February 21, 2007 the company converted $1,490,585 of debt due to stockholders and officers of the company to 1,490,585 shares of the Series B Preferred Stock.

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Triton Petroleum Group, Inc.
Notes to the Condensed Consolidated Financial Statements
For the Three Month Period Ended March 31, 2007
(Unaudited)

SUBSEQUENT EVENTS

On August 21, 2007the Company changed its name to High Velocity Alternative Energy Corp.

On June 19, 2007 the agreement related to the convertible notes was amended to extend the maturity date of the obligation to December 31, 2008 and to entitle the holder of the note, at its option, to convert all of the outstanding balance of the obligation plus accrued interest and liquidated damages (aggregating approximately $890,000 at June 19, 2007) into shares of the Company's common stock at a price per share equal to the lower of $.85 per share or 80% of the volume weighted average price, as defined, of the Company's common stock for the thirty trading days immediately preceding the conversion date.

On August 31, 2007, the Board of Directors unanimously approved amendments to the Company's Articles of Incorporation to effect a reverse stock split whereby all outstanding shares of the Company's $.001 par value common stock ("Common Stock") will be reverse split on a 1-for-50 share basis.

Currently, the Series B Cumulative Convertible Preferred Stock is convertible into 45 shares of common stock, and contains the right to vote equal to 45 times for each Series B Cumulative Convertible Preferred Stock as compared to the common shares. After the effect of the Reverse Split these shares will be subject to the same reduction in the total amount that can me converted, thus each share of Series B preferred stock will be convertible into shares of common stock at a rate of .9 shares of common stock for each share of Series B preferred stock.

The stock split was effective on November 1, 2007.

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Item
2. Management's Discussion and Analysis and Plan of Operations.

FORWARD LOOKING STATEMENTS

Because we want to provide investors with more meaningful and useful information, this Annual Report on Form 10-KSB ("Form 10-KSB") contains, and incorporates by reference, certain forward-looking statements that reflect our current expectations regarding its future results of operations, performance and achievements. We have tried, wherever possible, to identify these forward-looking statements by using words such as "anticipates," "believes," "estimates," "expects," "designs," "plans," "intends," "looks," "may," and similar expressions. These statements reflect our cu beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties and contingencies, including the factors set forth herein, which could cause our actual results, performance or achievements for 2006 and beyond to differ materially from those expressed in, or implied by, any of these statements. You should not place undue reliance on any forward-looking statements. Except as otherwise required by federal securities laws, we undertake no obligation to release publicly the results of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

OVERVIEW

History and Organization

High Velocity Alternative Energy Corp. formerly Triton Petroleum Group, Inc., formerly American Petroleum Group, Inc., formerly American Capital Alliance, Inc. until November 1, 2004 and formerly Prelude Ventures, Inc. (the "Company") was incorporated under the laws of the State of Nevada on May 24, 2000, under the name of Prelude Ventures, Inc. Prior to its acquisition of American Petroleum Products Company, formally Alliance Petroleum Products Company, the company had limited business operations and was considered a development stage enterprise. The activities during that period principally had been limited to organizational matters, and examining business and financing opportunities for the company.

Prior Business Matters and Failed Business Acquisitions

On March 9, 2001, we acquired a 20-year mining lease from Steve Sutherland, the owner of 24 unpatented lode-mining claims, sometimes referred to as the Medicine Project, located in Elko County, Nevada. The lease was terminated at some point by prior management.

During the nine months ended December 31, 2003, management of the Company terminated the mining lease. As the Company terminated the lease, it is required to pay all federal and state mining claim maintenance fees for the current year. The Company is required to perform reclamation work on the property as required by federal, state and local law for disturbances resulting from the Company's activities on the property. In the opinion of management, there will be no continuing liability, due to the time period that has elapsed since the lease was terminated. We have never received any claim or communication with respect to this lease, and at this pointing time, do not expect any communication from any party related thereto. If there was any communication, it would be the position of the Company that any claim would be time barred.

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On April 1, 2003, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Pascal Energy Inc., a Canadian corporation, by the issuance of 273,750 post split common shares, restricted under Rule 144 of the Securities Act of 1933 and at a later date, issue 273,750 post split common shares, restricted under Rule 144 subject to the Company paying not less than $1,000,000 accumulated dividends to its shareholders of record. Pascal Energy, Inc.'s business was to provide servicing for the oil and gas industry.

The Company determined that the transaction mentioned above could not be completed due to the inability to complete a comprehensive due diligence review. The shares of common stock previously transferred in anticipation of the completion of the transaction were returned to the treasury of the Company and canceled.

"TSG" Acquisition

On October 9, 2003, the Company acquired an option for $500,000 to purchase the assets and certain liabilities of Tri-State Stores, Inc., an Illinois Corporation ("Tri-State"), GMG Partners LLC, and Illinois Limited Liability Company ("GMG"), and SASCO Springfield Auto Supply Company, a Delaware Corporation ("SASCO"). Tri-State, GMG and SASCO are collectively referred to herein as "TSG." Upon exercise of the option, the Company was to pay $3,000,000 and assume certain liabilities, not exceeding $700,000. TSG is involved in the automotive after market. During the first quarter of 2004, the Company elected not to continue to pursue this acquisition. The contractual amount of the option was never fully paid, however, amounts advanced for the option purchase and associated expenses resulted in an $185,000 charge to operations for the year ended December 31, 2003 and $10,000 for the year ended December 31, 2004. There have been no further dealings, discussions or transactions related to this matter.

Motor Parts Waterhouse, Inc.

The Company on or about October 9, 2003, issued 500,000 post split shares of common stock for an option to acquire all the outstanding stock of Motor Parts Warehouse, Inc. ("MPW"), of St. Louis, Missouri. In order to exercise the option, the Company was to issue an additional 500,000 post split shares of common stock to the shareholders of MPW and pay $2,200,000. This MPW option can not be exercised until after the refinancing of the TSG debt of approximately $3,000,000. MPW is also an auto parts distributor. As a result of the financing not being completed, the Company elected not to continue to pursue this acquisition and let the option lapse. There have been no further dealings, discussions or transactions occurred related to this matter.

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Oilmatic Systems, LLC Transaction

On December 3, 2004, the Registrant entered into a Letter of Intent, dated December 1, 2004, with Oilmatic Systems LLC of East Orange, New Jersey, whereby the Registrant would purchase Oilmatic Systems LLC and/or Oilmatic International, Inc., for shares of common stock of the Registrant.

Oilmatic is a food service distribution company that supplies a closed loop Bulk Cooking Oil Supply and Management System. Its patented state of the art handheld Dipstick® design dispenses and removes cooking oil with the simple push of a button at the deep fryers. The system also consists of separate fresh oil and waste oil tanks. A key switch allows management to control unnecessary oil fills and disposals. This system completely eliminates the practice of employees manually removing hot used oil which significantly reduces slips, falls and burns, as well as the hard labor of unloading and retrieving heavy boxes of oil. Additionally, the system eliminates hazardous grease spills both inside and outside of the store that cause grease fires and grease trap build-ups that pollute our environment. As part of the transaction, Michael Allora, President of Oilmatic was to assume, after the closing of the transaction the position of President and Chief Operating Officer of Triton Petroleum as well as Oilmatic. Effective May 20, 2005, Management of the Registrant no longer felt that the mutual goals of both parties were attainable and therefore the proposed transaction with Oilmatic was cancelled between the parties. There have been no further dealings, discussions or transactions occurred related to this matter.

Oilmatic Systems, LLC was advanced, interest free, a total of $300,000 by the Company. The Letter of Intent stated that in the event that the proposed transaction did not close, the money advanced was to be considered a loan to Oilmatic, and repaid nine months after being advanced. We have made repeated demands for the repayment of the loan. To date, we have not been able to collect the money due. Management can not make any reasonable determination that the advance will ultimately be collected. And accordingly it has been written off by the Company in the Fiscal year 2006.

American Petroleum Products Company

On October 9, 2003, the Company also entered into a Stock Purchase Agreement (“Alliance Agreement”) with Alliance Petroleum Products Company, now known as American Petroleum Products Company (“Alliance”), an Illinois Corporation, and a Rider to the Alliance Agreement (“Rider”). Alliance is in the business of blending and bottling motor oil and anti-freeze. Under the Alliance Agreement, the Company issued 1,250,000 shares of common stock for 100% of the issued and outstanding shares of the common stock for 100% of the issued and outstanding shares of the common stock of American (757,864 common shares). An additional 1,250,000 shares of common stock of the Company was issued to Worldlink International Network, Inc. In addition, under the terms of the Rider, the Company was required to provide funding of at least $3,500,000 to pay Harris Bank, a secured creditor of Alliance, as a condition of the transaction. This was a material contingency to the transactions and as a result had to be resolved prior to recognition of a business combination. On June 24, 2004 (effective date July 1, 2004), the Company (“Prelude”) now known as High Velocity Alternative Energy Corp., (“AMPE”) and Alliance Petroleum Products Company, entered into an Amendment to the original Alliance Agreement, dated October 9, 2003, whereby all previous conditions and contingencies were deemed to have been completed or waived. Therefore, the Company assumed the operations of the subsidiary. However, after a change of management took place in September 2004, the current management refused to recognize the obligation to pay certain amounts arising from other non Company obligations and third party agreements.

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The Company

The operations of Alliance Petroleum Products Corp., which was later amended to be American Petroleum Products Corp. (“APPC”) have been consolidated with the results of High Velocity Alternative Energy Corp. since July 1, 2004. High Velocity Alternative Energy Corp. which was formerly known as America Petroleum Group, Inc. (the “Company”) is a Chicago based holding company with an agenda to acquire, merge, and manage various business opportunities.

The company, via its subsidiary (American Petroleum Products Company, or APPC), is in the manufacturing and distribution of petroleum and related products for the automotive industry. Specifically, APPC is in the business of blending, bottling, and distributing private label motor oil, transmission fluid, and related products for the automotive aftermarket. These products are sold, both direct and through distributors, to retail outlets that include oil change shops, automotive aftermarket chains, gas stations, department stores, and convenience stores. Although most products are sold in 12-quart cases, some products are sold in bulk. APPC sells to a wide variety of customers with a low dependence on any one customer (the largest customer makes up less than 10% of sales year-to-date).

In order to make finished motor oil, blenders and bottlers like APPC purchase base oils and blend them with V.I. Improver and/or Additive Packages to create motor oil, which is then sold either Bulk or Bottled. While there are several major companies with huge markets, this is a highly fragmented market, with many smaller players, especially in the private label market. Other major costs include bottles, caps, labels, corrugated, labor, and transportation costs. The U.S. market for aftermarket motor oil is approximately $11.3 billion annually, making APPC a microscopic regional player. Most retail outlets for motor oil carry a major brand and a lesser-known, lower-priced brand. APPC primarily competes with those other, lesser-known brands, which consist of other regional/national motor oil blenders and bottlers.

Given that the product is a commodity, APPC competes largely by managing a competitive cost structure so that it can pass through competitive pricing and by carefully managing customer relationships. By giving our customers fair prices and providing excellent quality and service, APPC has maintained relatively long term relations with its customer base and has had success winning new customers.

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Motor oil for late model year automobiles normally utilize the latest formulae established by the American Petroleum Institute and the society of Automotive Engineers. The "standard" for current model year automobiles is referred to as "SM," which recently replaced "SL." Only SM and SL motor oil can currently receive the API "starburst" certification seal, and APPC must annually renew its API license in order to use the "starburst" seal on its labels. Motor oil can also be made without the API starburst and aold as oil with technology prior to SM or SL.

This API-certified oil must include what is referred to as "Group 2 Base Oils" as the foundation for the oil, as well as an additive package that includes the most recently approved chemical blend. APPC, like other motor oil blenders, must purchase Group 2 base oils from select, API-approved suppliers in order to make API-certified premium motor oil. APPC primarily purchases Group 2 base oils from Motiva (Port Arthur, Texas) and from Evergreen Oil (Irvine, California). Shortages of Group 2 base oils have caused price increases in recent months, but APPC has temporarily been able to pass these increases on to the customer.

On July 1, 2005, TPG acquired the operating assets of Triton Petroleum, LLC ("Triton"). Triton is operated as a division of TPG. On the Payment Date, which shall be the one year anniversary of the effectiveness of the Agreement, that being July 1, 2006, the Registrant shall pay to the Sellers the Purchase Price equal to three and one half (3.5) times the net earnings of the assets and operations formerly owned by Triton. The Purchase Price is to be paid as: (a) twenty-five percent (25%) in cash on the payment date, and (b) with the balance of seventy-five percent (75%), payable over the following two years, in cash and stock, as agreed to by the parties. In addition, current loans to Triton, totaling approximately three hundred thousand dollars ($300,000), due and owing to the members of Triton, shall be paid over the twelve months from the Closing date to the Payment Date. It is anticipated that the total purchase price will be approximately $300,000, plus the net book value of the assets acquired in the amount of $230,625 at the time of payment, July 1, 2006. The assets purchased include the right to the name, Triton Petroleum, all operations and assets, including any leases, or sub-leases. Triton purchased used oil from various consolidators of used petroleum such as gear oil, machine oils, etc. that have never been burnt before. It then transported the un-combusted, but unrefined oils back to its reclamation facility in Detroit, Michigan, for refining. After a very detailed reclamation process, all impurities and contaminants are extrapolated out of the oil, through Triton's centrifuge operation, thus leaving it with a renewable petroleum base oil. This base oil can be blended with new crude and other chemical components and bottled in our Bedford Park, Illinois facility. The operations have been discontinued as unprofitable.

Subsequent Events

During the second quarter of fiscal 2007, the Company commenced operations of a second subsidiary Petroleum Products Company ("PPC"). In the third quarter of fiscal 2007, the Company operated solely with the new PPC subsidiary and did no operations with the APPC subsidiary. All operation are consolidated with the results of the parent company, High Velocity Alternative Energy Corp.

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Risks to Consider Regarding our Company

Our independent registered public accounting firms issued reports for the year ended December 31, 2006 and December 31, 2005 that contained a “going concern” explanatory paragraph.

Our independent registered public accounting firms issued reports on their audit of our financial statements as of and for the years ended December 31, 2006 and 2005. Our notes to the financial statements disclose that The Registrant’s cash flows have been absorbed in operating activities and have incurred significant net losses for fiscal 2006 and 2005, and have a working capital deficiency. In the event that funding from internal sources or from public or private financing is insufficient to fund the business at current levels, the Company will have to substantially cut back our level of spending which could substantially curtail our operations. The independent registered public accounting firm’s report contains an explanatory paragraph indicating that these factors raise substantial doubt about the Company’s ability to continue as a going concern. Our going concern uncertainty may affect our ability to raise additional capital, and may also affect our relationships with suppliers and customers. Investors should carefully read the independent registered public accounting firm’s report and examine our financial statements before investing in the Registrant’s stock or any other type of investment.

The Company Has Substantial Near-Term Capital Needs; The Company May Be Unable To Obtain Needed Additional Funding

The Company will require funding over the next twelve months to develop the business further. In fact, the Company has minimal capital for operations and the Company has needs for immediate funding. Our capital requirements will depend on many factors including, but not limited to, the timing of further development of our business and the growth of the industry as a whole. If additional funds are raised through the issuance of equity securities, the percentage ownership of our current shareholders will be reduced. Moreover, those equity securities may have rights, preferences, and privileges senior to those of the holders of our common stock. There can be no assurance that additional capital will be available on terms favorable to us or our shareholders.

Our cash requirements may vary substantially depending on our rate of development, research results, competitive and technological advances and other factors. If adequate funds are not available, the Company may be required to curtail operations or to obtain funds by entering into collaboration agreements on unattractive terms. Our inability to raise capital would impair the current and future operations and may cause the Company to cease business operations entirely.

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The Company Has Substantial Long-Term Capital Needs; The Company May Be Unable To Obtain Needed Additional Funding

Substantial expenditures will be required to further develop our business model. The level of expenditures required for these activities will depend in part on whether The Company develops and markets our services independently or with other companies through collaborative arrangements. Our future capital requirements will also depend on one or more of the following factors:

- o Market acceptance of our products and services;
- o The extent and progress of our research and development programs;
- o Competing technological and market developments; and
- o The costs of commercializing our products and services.

There can be no assurance that funding will be available on favorable terms to permit successful expansion of the business to allow the Company to exceed the break even point, if at all.

In addition, the Company has no credit facility or other committed sources of capital. The Company may be unable to establish credit arrangements on satisfactory terms, if at all. If capital resources are insufficient to meet our future capital requirements, the Company may have to raise additional funds to continue development of our website. There can be no assurance that such funds will be available on favorable terms, if at all.

To the extent that additional capital is raised through the sale of equity and/or convertible debt securities, the issuance of such securities will likely result in dilution to our shareholders. If adequate funds are not available, the Company may be unable to develop our operations to a sufficient level to generate revenues or become profitable.

We expect to issue additional stock in the future to finance our business plan and the potential dilution caused by the issuance of stock in the future may cause the price of our common stock to drop.

The Company is authorized to issue maximum stock of 100,000,000 common shares. As of September 15, 2007, there were 17,803,500 issued and outstanding shares of Common Stock. The Board of Directors has authority to issue the balance of 82,196,500 shares of our authorized stock without shareholder consent, on terms and conditions set in the discretion of the Board, which may dilute the value of your stock. If and when additional shares are issued, it may cause dilution in the value of shares purchased in this offering and may cause the price of our common stock to drop. These factors could also make it more difficult to raise funds through future offerings of common stock.

Most of our competitors may be able to use their financial strength to dominate the market, which may affect our ability to generate revenues.

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Most of our competitors are much larger companies than us and very well capitalized. They could choose to use their greater resources to finance their continued participation and penetration of this market, which may impede our ability to generate sufficient revenue to cover our costs. Their better financial resources could allow them to significantly outspend us on price to our customers, marketing and production. We might not be able to maintain our ability to compete in this circumstance.

The Company Has Never Paid Dividends

The Company has never paid dividends. The Company does not anticipate declaring or paying dividends in the foreseeable future. Our retained earnings, if any, will finance the development and expansion of our business. Our dividends will be at our Board of Directors' discretion and contingent upon our financial condition, earnings, capital requirements and other factors. Future dividends may also be affected by covenants contained in loan or other financing documents The Company may execute. Therefore, there can be no assurance that cash dividends of any kind will ever be paid.

Reporting Requirements of a Public Company

As a public company, we are required to comply with the reporting obligations of the Exchange Act and may be required to comply with Section 404 of the Sarbanes-Oxley Act for our fiscal year ending December 31, 2007. If we fail to comply with the reporting obligations of the Exchange Act and Section 404 of the Sarbanes-Oxley Act, or if we fail to achieve and maintain adequate internal controls over financial reporting, our business, results of operations and financial condition, and investors' confidence in use, could be materially adversely affected. As a public company, we are required to comply with the periodic reporting obligations of the Exchange Act, including preparing annual reports, quarterly reports and current reports. Our failure to prepare and disclose this information in a timely manner could subject us to penalties under federal securities laws, expose us to lawsuits and restrict our ability to access financing. In addition, we are required under applicable law and regulations to integrate our systems of internal controls over financial reporting. We plan to evaluate our existing internal controls with respect to the standards adopted by the Public Company Accounting oversight Board. During the course of our evaluation, we may identify areas requiring improvement and may be required to design enhanced processes and controls to address issues identified through this review. This could result in significant delays and cost to us and require us to divert substantial resources, including management time, from other activities.

It is more difficult for our shareholders to sell their shares because we are not, and may never be, eligible for NASDAQ or any National Stock Exchange.

We are not presently, nor is it likely that for the foreseeable future we will be, eligible for inclusion in NASDAQ or for listing on any United States national stock exchange. To be eligible to be included in NASDAQ, a company is required to have not less than $4,000,000 in net tangible assets, a public float with a market value of not less than $5,000,000, and a minimum bid price of $4.00 per share. At the present time, we are unable to state when, if ever, we will meet the NASDAQ application standards. Unless we are able to increase our net worth and market valuation substantially, either through the accumulation of surplus out of earned income or successful capital raising financing activities, we will never be able to meet the eligibility requirements of NASDAQ. As a result, it will be more difficult for holders of our common stock to resell their shares to third parties or otherwise, which could have a material adverse effect on the liquidity and market price of our common stock.

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We must also obtain additional financing to either purchase our operating assets or obtain working capital for leasing arrangements.

To meet our need for cash, we are attempting to raise debt and equity financings to complete the acquisitions either described in this document or contemplated in the future and fund the Company's ongoing operations. There is no assurance that we will be able to raise these funds and stay in business. If we do not raise the funds required to complete any of the acquisitions, we will have to find alternate sources of capital such as a secondary public offering, private placement of securities, or loans from officers or others. If we need additional cash and cannot raise it, we will either have to suspend operations until we do raise the cash or case operations entirely.

Limited Operating History

We cannot guarantee we will be successful in our business operations. Our business is subject to the risks inherent in the establishment of a new business enterprise, including limited capital resources and the ability to find and finance suitable acquisition candidates. We are seeking equity and debt financing to provide the capital required to fund additional proposed acquisitions and our ongoing operations.

We have no assurance that future financing will be available to the Company on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations and possibly cease operations totally. Equity financing could result in additional dilution to shareholders.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on the Company's operations or its financial position. Amounts shown for machinery, equipment and leasehold improvements and for costs and expenses reflect historical cost and do not necessarily represent replacement cost. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

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Provision for Income Taxes

The Company has determined that it will more likely than not use any tax net operating loss carry forward in the current tax year and has taken and therefore has a valuation amount equal to 100% of any asset.

Employees

As of December 31, 2006, we employed approximately 12 persons. None of our employees are covered by collective bargaining agreements. We believe that our relations with our employees are good.

PLAN OF OPERATIONS

We were a startup, development stage Company prior to the acquisition of American Petroleum Products Company (“APPC”) beginning with operations as of July 1, 2004, and did not realize any revenues from our business operations until that time. However at time of acquiring APPC its sales volume was at a point below its break even point and therefore was losing money. Management of the Company feels that APPC is operating at a small percentage of its capacity with its major constraint on increasing volume being that of financing raw materials for manufacturing and some other limited variable manufacturing costs. In addition, it is currently not generating profits of sufficient amount to support the other operations of the parent Company. Accordingly, we must raise money from sources other than the operations of this business. Our only other source of cash at this time is investments by others (primarily from existing shareholders and others) in our Company. We must raise additional cash to complete any future acquisitions and maintain current operations, otherwise the business will fail.

In order to raise capital for operations of the parent Company and to attempt to complete the proposed Oilmatic transaction, the Company entered into a transaction with Cornell Capital Partners LP and Highgate House Funds, Ltd., dated March 8, 2005, whereby the Company entered into a Convertible debenture for a total amount of $500,000 at 7% interest. The Note is convertible into shares of common stock at a conversion price of $0.85 per share, at the option of the Lender. At the same time the Company entered into with Cornell Capital Partners LP a total Standby Equity Distribution Agreement for up to $10,000,000 equity line (See Item 3, Legal Proceedings).

Liquidity, Capital Resources and Operations
Since the Company’s inception, the Company raised funds from officer/stockholder advances, from private sales of its common shares, including approximately $500,000 from the sale of borrowed stock contributed by the Company’s promoters. We have repaid this stock borrowing with the issuance of 50,000 shares of common stock (taking in to account a reverse of the common shares of the Company in November 2004). This money was utilized for certain start-up costs and operating capital.

In this regard, the Company’s plan of operations for the next 12 months is to pursue profitable business acquisitions, and obtain financing to increase the sales volume of APPC. Product research and development is expected to be minimal during the period. Additionally, the Company does not expect any change in number of employees other than through acquisitions.

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Financings
In order to raise capital for operations of the parent Company and to complete the Oilmatic transaction at the time, the Company entered into a transaction with Cornell Capital Partners LP and Highgate House Funds, Ltd., dated March 8, 2005, whereby the Company entered into a Convertible debenture for a total amount of $500,000 at 7% interest. The Note is convertible into 588,325 shares of common stock at a conversion price of $0.85 per share, at the option of the Lender. At the same time the Company entered into with Cornell Capital Partners LP a total Standby Equity Distribution Agreement for up to $10,000,000 equity line. Pursuant to the Standby Equity Distribution Agreement we are to file a registration statement 180 days after execution.

On June 19, 2007 the terms of the secured convertible notes were amended to extend the maturity date to December 31, 2008 and to entitle the holder of the note to convert all of the outstanding balance of the obligation plus accrued interest and liquidated damages (aggregating approximately $890,000 at June 19, 2007) into shares of the Company's common stock at a price per share equal to the lower of $.85 per share or 80% of the volume weighted average price, as defined, of the Company's common stock for the thirty trading days immediately preceding the conversion date.

The Company must still obtain additional financing to either purchase our operating assets or obtain working capital for leasing arrangements, and to operate our business.

To meet our need for cash, we are attempting to raise debt and equity financing to complete the acquisitions described in this document and fund the Company's on-going operations. There is no assurance that we will be able to raise these funds and stay in business. If we do not raise the funds required to complete any of the acquisitions mentioned in this document or any contemplated acquisition, we will have to find alternate sources such as a secondary public offering, private placement of securities, or loans from officers or others. If we need additional cash and can not raise it, the Company will either have to suspend operations until we do raise the cash or cease operations entirely.

On July 25, 2005, we conducted a Rule 504, Regulating D offering of $1,000,000 worth of Convertible Debentures of our subsidiary American Petroleum Products Company ("APPC"), to accredited investors in the State of Texas. The Offering was amended in October 10, 2005 to include the State of Pennsylvania. Pursuant to the Offering, APPC issued the convertible debentures, which were convertible into shares of common stock. As part of the Offering, APPC was to be merged into the Registrant. This event did not occur. Upon conversion into shares and merger of APPC into the Registrant, the offering shares are issuable as shares of Triton Petroleum Group, Inc. Pursuant to the amendment to the original offering, the amount of shares to be offered for sale was raised to a total of 3,108,000 shares of common stock.

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We are also currently in discussions with several investors to raise the capital via an equity offering, involving the issuance of convertible debentures to be converted upon the effectiveness of a Registration Statement. The funds raised are necessary to complete the transactions with Harris Bank to obtain clear title to the equipment used by the Company, in its APPC operations and to purchase the real property that our plant is situated on from its owner, as well as general business purposes. We anticipate that this financing would close sometime in the second fiscal quarter 2006.

RESULTS OF OPERATIONS

For the Quarter Ended March 31, 2007 vs. March 31, 2006

Net Sales

Net sales for the quarter ended March 31, 2007 were $493,995 as compared to $686,845 for the quarter ended March 31, 2006, which represents a decrease of $192,850. The decrease is primarily due to a reduction of orders due to increased prices, which were not accepted by customers.

Cost of Goods Sold and Gross Profit

Cost of goods sold for the quarter ended March 31, 2007 was $405,007 as compared to $481,478 for the quarter ended March 31, 2006, a decrease of $76,471 or 16%. This decrease is due to the decrease in sales. Gross profit for the quarter ended March 31, 2007 was $88,988 or 18% as compared to $205,367 or 30% for the quarter ended March 31, 2006. This is primarily due to the inability to pass thru higher costs to customers.

Selling, General and Administrative Expenses

These expenses for the quarter ended March 31, 2007 were $467,061 as compared to $524,615 for the quarter ended March 31, 2006, a decrease of $57,554 or 11%. The decrease was primarily attributable to the reduction in personnel and payroll costs.

Other Income (Expense)

Other expenses increased to $86,805 for the quarter ended March 31, 2007 compared to $38,189 for the quarter ended March 31, 2006. This was due an increase in interest costs due to higher debt levels, and a provision for bad debts.

Net Loss

The net loss was $464,878 for the quarter ended March 31, 2007 compared to a loss of $357,437 for the quarter ended March 31, 2006. The $107,441 increase was a result of three factors; namely, the decreased gross profit less the reduction on selling, general and administrative expenses, and the increase in other expense.

Liquidity and Financial Resources

During the quarters ended March 31, 2007, and 2006, net cash used by operating activities was ($118,229) and $20,832 respectively. The Company incurred net losses of ($464,878) and $374,633 for the quarters ended March 31, 2007 and 2006, respectively. The Company still would have incurred net operating losses in 2007 and 2006 even if the non-cash stock compensation and financing expense, detailed above did not occur. Additionally, at March 31, 2007, current liabilities exceeded current assets by $1,460,391.

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These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company anticipates that in order to fulfill its plan of operation including payment of certain past liabilities of the Company, it will need to seek financing from outside sources. The Company is currently pursuing private debt and equity sources. It is the intention of the Company's management to also improve profitability by significantly reducing operating expenses and to increase revenues significantly, through growth and acquisitions.

There is no assurance that the Company will be successful in raising the necessary funds nor there a guarantee that the Company can successfully execute any acquisition or merger transaction with any company or individual or if such transaction is effected, that the Company will be able to operate such company profitably or successfully.

The increases in recurring administrative expenses detailed above in The Results of Operations section are due to the start up of the operations, increases in personnel and professional fees, and a generally higher level of fixed administrative expenses. It is anticipated by the Registrant that General and Administrative costs will remain relatively the same, while Revenues and Gross Profit will increase as a result of the business derived from APPC and Triton. This can be achieved only if the Company can obtain financing from outside sources since additional capital is needed to operate and expand operations from current levels.

Off-Balance Sheet Arrangements

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

Item 3. Controls And Procedures

The registrant's Principal executive financial officer, based on his evaluation of the registrant's disclosure controls and procedures (as defined in Rules 13a-14 (c) of the Securities Exchange Act of 1934) as of March 31, 2007 has concluded that the registrants' disclosure controls and procedures are adequate and effective to ensure that material information relating to the registrants and their consolidated subsidiaries is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period in which this quarterly report has been prepared.

The registrant's principal executive/financial officer has concluded that there were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to December 31, 2006 the date of their most recent evaluation of such controls, and that there was no significant deficiencies or material weaknesses in the registrant's internal controls.

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Part II. Other Information

Item
1. Legal Proceedings.

Other than described below, there are no past, pending or, to our knowledge, threatened litigation or administrative action which has or is expected by our management to have a material effect upon our business, financial condition or operations, including any litigation or action involving our officer, director or other key personnel. There have been no changes in the company's accountants or disagreements with its accountants since its inception.

There is a threatened action by the Harris Bank of Chicago, Illinois with respect to a defaulted loan agreement. Harris Bank claims to have a lien on the equipment used by the Registrant in its operations. The Registrant has had contact with Harris Bank and is attempting to resolve the matter. We believe that we have reached a resolution with Harris Bank. The resolution is anticipated to be closed within the second fiscal quarter of 2006. The exact terms have not yet been finalized. It is hoped that discussions the Company is involved in with various funding sources will reach an agreement and conclusion begun within the fourth fiscal quarter so the company may proceed with the transactions.

The Company has paid no rent or compensation of any type to the entities that claim to have legal title to the operating assets of APPC, up until six months ago. Although no lease exists, these entities are claiming that the Company owes a monthly rental amount of approximately $15,000. Based upon settlement discussions with the owner of the real estate the Company has accrued approximately $185,000 for past due rental expense. Since March, we have been paying $10,000 per month at the rate of $2,500 per week. This covers only current rent. Management has taken the position that since there was no contract or agreement to purchase the assets or for the payment of rentals for these assets, therefore nothing is owed. The consolidated operations for the period since APPC was acquired do not contain $185,000 of accrued rent for compensation for use of the facilities. The owner (and former President of the Company and shareholder) of the entity that owns the real estate is claiming a monthly rental amount of $15,000. The Company has been in discussion with the owner of the real estate and has a tentative agreement that is not yet fully agreed upon. The terms under discussion include the purchase of the real estate for approximately $1,900,000 and $185,000 for additional back-rent and other capital debt claimed by the owner.

The Company received a letter, dated February 28, 2005, from the Attorney for Concentric Consumer Marketing, Inc., in connection with certain sums owed by American Petroleum Products Corporation ("APPC"), a wholly owned subsidiary of the Company, in the amount of $13,000 per month for the past four (4) months, for services. There is no way to determine at this time the validity of the claim, or any possible outcome or if the claim is material to the Company, or even if litigation will be commenced against the Company and/or APPC. The Company has reached a settlement with Concentric Consumer Marketing, Inc., which has been paid.

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Clement Finance & Leasing, Inc. has apparently obtained a judgment against the Company in the State of Wisconsin, Circuit Court, Waukesha County, case No. 07CV-630, on or about March 5, 2007, for breach of contract involving the lease of certain Trailers to our subsidiary American Petroleum Group. On April 25, 2007, a Judgment was granted to Clement Finance & Leasing, Inc. in the amount of $14,329.00, plus interest at the rate of 9%. Thereafter, the judgment-creditor commenced an action in New York State Supreme Court, County of Putnam, under the Uniform Enforcement of Foreign Judgment Act. To date, it is unknown if such judgment has been granted and entered in New York State.

Item
2. Changes In Securities

On or about October 20, 2007, to all holders of record on September 1, 2007 of the $0.001 par value common stock (the “Common Stock”) of High Velocity Alternative Energy Corp., a Nevada corporation (the “Company”), in connection with the vote by the Board of Directors of the Company and the approval by written consent of the holder(s) of a majority of the Common Stock to effect a reverse stock split whereby all outstanding shares of the Company's $.001 par value common stock was reversed split on a 1-for-50 share basis. This was effective on November 1, 2007.

Item
3. Defaults Upon Senior Securities

The Company is currently in default of its obligations with respect to Cornell Capital Partners LP and Highgate House Funds, Ltd., dated March 8, 2005. Previously, on or about June 26, 2007, The Registrant had entered into Amendment No. 1 to Secured Convertible Debenture, dated June 26, 2007 (the “Amendment”), between the Registrant and Highgate House Funds, Ltd., to a Secured Convertible Debenture dated March 8, 2005 (the “Master Agreement”).

Under the terms of the Amendment, the Conversion Price in Section 1.02 of the Master Agreement is amended as follows:

“The Holder is entitled, at its option, to convert, and sell on the same day, at any time and from time to time, until payment in full of this Debenture, all or any part of the principal amount of the Debenture, plus accrued interest and liquidated damages, into shares (the “Conversion Shares”) of the Company’s common stock, par value $0.001 per share (“Common Stock”), at the price per share (the “Conversion Price”) equal to the lower of (a) $0.85, or (b) eighty percent (80%) of the lowest daily Volume Weighted Average Price (“VWAP”) of the Common Stock on the Principal Market during the thirty (30) trading days immediately preceding the Conversion Date as quoted by Bloomberg, LP (collectively, the “Conversion Price”).

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Subsequent to that, on December 14, 2007, the Registrant notified its Transfer Agent that it believed that Highgate House Funds, Ltd. was in breach of its obligations and would no longer honor conversion requests. It is expected that litigation will be commenced by the Company by January 15, 2008. Such litigation might be significant and materially affect the Company.

Item 4. Submission of Matters To A Vote Of Security Holders

On or about April 20, 2007, the Company received written consents in lieu of a meeting of stockholders from holders of a majority of the shares of Common Stock representing in excess of 50.1 % of the total issued and outstanding shares of voting stock of the Company (the "Majority Stockholders") approving the Certificate of Amendment to the Certificate of Incorporation of the Company, pursuant to which the Company's name will change to "High Velocity Alternative Energy Corp." This was effective on September 3, 2007.

See Item 2 with respect to a reverse split of the common stock

Item 5. Other Information

None

Item 6. Exhibits

a.	Exhibits:
3.1	Articles of Incorporation of the Registrant, as amended*
3.2	By-laws of the Registrant, as amended*
31.1	Section 302 Certification of Chief Executive Officer (1)
32.1	Section 906 Certification of Chief Executive Officer (1)

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* Previously filed as an exhibit to the Company's Form 10-SB filed on June 26, 2001
(1) Filed herewith

Signatures

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

Date: January 22, 2008 High Velocity Alternative Energy Corp.

/s/ Michael Margolies

Michael Margolies, President and Chief Executive Officer and Chief Financial Officer