

ALLENERGY INCORPORATED
Income Statement
For the Six Months Ending June 30, 2006

	Current Month		Year to Date	
Revenue				
Oil Sales	\$ 13,814.82	50.43	\$ 122,760.71	41.39
Gas Sales	3,695.21	13.49	15,830.68	5.34
Joint Venture Revenue	10,000.00	36.51	150,000.00	50.57
Interest Income	0.00	0.00	315.07	0.11
Other Income	(118.52)	(0.43)	7,697.32	2.60
 Total Revenues	 \$ 27,391.51	 100.00	 \$ 296,603.78	 100.00
Cost of Sales				
Cost of Sales-Salary & Wage	\$ 6,300.00	23.00	\$ 41,255.30	13.91
Payroll Tax Expense	488.36	1.78	3,972.28	1.34
Outside Contractors	7,365.14	26.89	44,101.52	14.87
Field Supplies	3,048.45	11.13	7,350.04	2.48
Equipment Repair	31.58	0.12	5,969.73	2.01
Field Utilities	568.43	2.08	5,128.13	1.73
Lease Maintenance	0.00	0.00	1,375.77	0.46
Royalties, Joint Interest	3,996.15	14.59	32,286.67	10.89
 Total Cost of Sales	 \$ 21,798.11	 79.58	 \$ 141,439.44	 47.69
 Gross Profit	 \$ 5,593.40	 20.42	 \$ 155,164.34	 52.31
Expenses				
Accounting	\$ 0.00	0.00	\$ 1,458.00	0.49
Advertising Public Relations	0.00	0.00	1,177.18	0.40
Auto Expense	1,180.89	4.31	9,598.32	3.24
Bank Fees	77.00	0.28	948.03	0.32
Commissions	3,617.62	13.21	22,617.62	7.63
Dues and Subscriptions	20.00	0.07	80.00	0.03
Field Expense	0.00	0.00	1,849.00	0.62
Insurance	1,465.81	5.35	5,418.98	1.83
Interest Expense	1,696.45	6.19	3,101.24	1.05
Legal	0.00	0.00	33,249.60	11.21
Licenses and Permits	155.00	0.57	2,196.31	0.74
Miscellaneous	0.00	0.00	4.77	0.00
Office Expense	266.80	0.97	1,041.38	0.35
Postage	79.84	0.29	1,304.68	0.44
Rent	1,125.00	4.11	6,680.00	2.25
Telephone	473.81	1.73	5,565.38	1.88
Travel	0.00	0.00	1,156.39	0.39
Utilities	140.90	0.51	1,798.97	0.61
 Total Expenses	 \$ 10,299.12	 37.60	 \$ 99,245.85	 33.46
 NET INCOME	 \$ (4,705.72)	 (17.18)	 \$ 55,918.49	 18.85

Internally prepared - Unaudited

ALLENERGY INCORPORATED

Balance Sheet

June 30, 2006

ASSETS

Current Assets

Cash on Hand	\$ (5,310.67)	
Checking Account-INC	1,577.32	
ALLENERGY OP CO INC	6,267.13	
JOINT VENTURE 1-31	481.15	
FERGUSON LEASE	9,955.98	
SMITH FA-1	1,183.05	
THORNE LEASE	52.00	
Cash Operating Bond	25,000.00	
Accounts Receivable	35,156.63	
Total Current Assets		\$ 74,362.59

Property and Equipment

Property and Equipment	\$ 140,000.00	
Office Equipment	10,280.32	
Well Equipment	448,064.17	
Autos and Trucks	316,442.31	
Other Machinery and Equipment	104,452.20	
Oil and Gas Leases	518,062.00	
Accum. Depreciation-Prop & Equip	(445,727.00)	
Total Property and Equipment		\$1,091,574.00

Other Assets

Land	\$ 16,000.00	
Deposits	8,391.00	
Investments	684,238.05	
Total Other Assets		\$ 708,629.05

TOTAL ASSETS \$1,874,565.64

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$ 111,170.59	
Employee Deduction	400.00	
Federal Payroll Taxes Payable	53,836.75	
Current Portion Long-Term Debt	6,000.00	
Total Current Liabilities		\$ 171,407.34

Long-Term Liabilities

Long-Term Debt-Noncurrent	\$ 743,520.19	
Total Long-Term Liabilities		\$ 743,520.19

TOTAL LIABILITIES \$ 914,927.53

Capital

Retained Earnings	\$(4,075,572.17)	
Paid-in Capital	3,759,982.00	
Common Stock	1,219,309.79	
Net Income	55,918.49	
Total Capital		\$ 959,638.11
TOTAL LIABILITIES AND CAPITAL		\$1,874,565.64