

ALLENERGY, INC.  
BALANCE SHEET  
As of December 31, 2004 and 2005

ASSETS

	<u>2004</u>	<u>2005</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 13,752.00	\$ 66,280.28
Cash-Operating Bond	25,000.00	25,000.00
Receivables	<u>262,179.00</u>	<u>39,686.21</u>
 Total Current Assets	 \$ 300,931.00	 \$ 130,966.49
<b>PROPERTY AND EQUIPMENT</b>		
Office Equipment	\$ 10,001.00	\$ 10,001.19
Well Equipment	249,928.00	437,707.20
Autos and Trucks	316,442.00	316,442.31
Other Machinery & Equipment	104,452.00	104,452.20
Oil and Gas Leases	397,062.00	472,062.00
Less Accumulated Depreciation	<u>(445,727.00)</u>	<u>(445,727.00)</u>
 Net Property & Equipment	 \$ 632,158.00	 \$ 894,937.90
<b>OTHER ASSETS</b>		
Land	\$ 29,500.00	\$ 16,000.00
Deposits	8,391.00	8,391.00
Investments	<u>612,518.00</u>	<u>678,238.05</u>
 Total Other Assets	 <u>\$ 650,409.00</u>	 <u>\$ 702,629.05</u>
 <b>TOTAL ASSETS</b>	 <b>\$ 1,583,498.00</b>	 <b>\$1,728,533.44</b>

ALLENERGY, INC.  
BALANCE SHEET  
As of December 31, 2004 and 2005

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2004</u>	<u>2005</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 331,664.00	\$ 111,170.59
Payroll Taxes Payable	57,883.00	59,883.00
Accrued Interest Payable	<u>                    </u>	<u>3,500.00</u>
Total Current Liabilities	\$ 389,547.00	\$ 174,553.59
<b>LONG-TERM LIABILITIES</b>		
NOTES PAYABLE	\$ 461,682.00	\$ 700,260.23
Total Long-Term Liabilities	<u>\$ 461,682.00</u>	<u>\$ 700,260.23</u>
Total Liabilities	\$ 851,229.00	\$ 874,813.82
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock	\$ 1,168,382.00	\$ 1,169,309.79
Paid In Excess	3,374,897.00	3,759,982.00
Retained Earnings	<u>(3,811,010.00)</u>	<u>(4,075,572.17)</u>
Total Stockholders' Equity	<u>\$ 732,269.00</u>	<u>\$ 853,719.62</u>
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	\$ 1,583,498.00	\$ 1,728,533.44

ALLENERGY, INC.  
INCOME STATEMENT  
As of December 31, 2004 and 2005

	<u>2004</u>	<u>2005</u>
<b>SALES</b>		
Oil Sales	\$ 69,819.00	\$ 137,896.52
Gas Sales		52,439.96
Joint Venture Revenue		185,000.00
Less Returns & Allowances	<u>0.00</u>	<u>0.00</u>
<b>TOTAL SALES</b>	<b>\$ 69,819.00</b>	<b>\$ 375,336.48</b>
 <b>COST OF GOODS SOLD</b>		
Direct Labor	\$ 51,944.00	\$ 60,500.84
Payroll Tax Expense	16,091.00	8,863.50
Outside Contractors	170,687.00	11,477.61
Field Supplies	19,228.00	15,572.46
Equipment Rental	165.00	0.00
Equipment Repair	5,331.00	3,808.04
Field Utilities	2,013.00	0.00
Lease Maintenance	46,952.00	0.00
Other Lease Expense	80,871.00	10,064.63
Royalties, Joint Interests		<u>29,281.40</u>
<b>Total Cost of Goods Sold</b>	<b><u>\$393,262.00</u></b>	<b><u>\$ 139,568.48</u></b>
 <b>GROSS PROFIT</b>	 <b>(\$323,463.00)</b>	 <b>\$ 235,768.00</b>
 <b>OPERATING EXPENSES</b>		
Accounting	\$ 2,325.00	\$ 6,435.25
Auto Expense	24,700.00	7,434.56
Bank Fees	668.00	278.75
Commissions	97,045.00	72,644.27
Dues & Subscriptions	175.00	0.00
Insurance	10,419.00	10,317.14
Interest Expense	67,883.00	32,862.70
Legal	27,715.00	9,500.00
Licenses and Permits	1,080.00	1,350.00
Office Expense	5,710.00	3,255.73
Postage	3,739.00	3,165.00
Rent	8,648.00	11,775.00
Telephone	9,356.00	10,552.53
Utilities	463.00	0.00
Travel	0.00	9,510.45
Miscellaneous Expense	<u>2,892.00</u>	<u>1,361.21</u>
<b>Total Operating Expenses</b>	<b><u>\$262,818.00</u></b>	<b><u>\$ 180,442.59</u></b>
<b>Operating Income (Loss)</b>	<b><u>(\$586,281.00)</u></b>	<b><u>\$ 55,325.41</u></b>
<b>Net Income (Loss)</b>	<b>(\$586,281.00)</b>	<b>\$ 55,325.41</b>