ALENTUS CORPORTION
Notes to the Consolidated Financial Statements
December 31, 2008

Note 1. – Organization & Basis of Presentation

Organization

Alentus Corporation (the “Company”) has been formed in Alberta Providence, Canada in 1997 and is engaged in providing business-class website, email. SQL Server, MySQL, and SharePoint hosting services to thousands of small to large sized companies from around the world.

On October 1, 2007, Alentus Group amalgamated with its subsidiary, Alentus Corporation, to form a new company entitled Alentus Corporation.

Note 2. – Summary of Significant Accounting Policies

a. Accounting Method

The Company’s financial statements are prepared using the accrual method of accounting.

b. Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less from the date of purchase that are readily convertible into cash to be cash equivalents. The Company maintains its cash in bank deposit accounts that may exceed federally insured limits. The Company has not experienced any losses in such accounts.

c. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain 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 amounts could differ from those estimates. A significant estimate is the allowance for losses on investments in contracts and loans receivable. Because of the inherent uncertainties in estimating the allowance for losses on investments in contracts and loans receivable, it is likely that the Company's estimate of the allowance for losses on investments in contracts and loans receivable will change, as circumstances become better known. Management closely monitors the progress of each case in order to reevaluate its estimate of uncollectible investments in contracts and loans receivable.

Note 2. – Summary of Significant Accounting Policies

d. Financial Statement Presentation

Denominations used in the financial statements presentation are stated in United State Dollars and translated from Canadian Dollars.

e. Principles of Consolidation:

The accompanying financial statements include the accounts of Alentus Corporation, Inc. a Nevada Corporation and its subsidiary, Alentus Corporation, a Canadian Corporation. All significant intercompany accounts, transactions and profits have been eliminated upon consolidation and combination.

f. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life or lease term of the related asset.

Office equipment	5 years
Computer equipment	5 years
Furniture and fixture	7 years
Transportation Equipment	5 years

g. Accounts Receivable

It's Company's accounting policies to show accounts receivables at net of the allowance for doubtful accounts. At December 31, 2008, there was no allowance provided and all Accounts Receivable are deemed to be fully collectible. As of December 31, 2008 the accounts receivable balance is $ 462,265.

h. Goodwill

In accordance with Statements of Financial Accounting Standards No. 142, goodwill is not amortized since it has an indefinite life. Instead, it is tested annually for impairment. During the months twelve months ended December 31, 2008 the carrying amount of goodwill increased by $ 8,439,614. The balance in goodwill as of December 31, 2008 is $ 8,439,614.

i. Revenue Recognition

Revenue from web-site hosting received and advance is recorded as deferred revenue until the web-site hosting has occurred. Web-site hosting revenue is recognized on a straight-line basis over the terms of the subscription.

Note 2. – Summary of Significant Accounting Policies

j. Recent Accounting Pronouncements:

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48") which prescribes a recognition threshold and measurement attribute, as well as criteria for subsequently recognizing and measuring uncertain tax positions for financial statement purposes. FIN 48 also requires expanded disclosure with respect to the uncertainty in income taxes assets and liabilities. FIN 48 is effective for fiscal years beginning after December 15, 2006 and is required to be recognized as a change in accounting principle through a cumulative-effect adjustment to retained earnings as of the beginning of the year of adoption. The Company is currently evaluating the impact of adopting this statement.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within that fiscal year. The Company is currently evaluating the impact of adopting this statement.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities - including an amendment of FAS 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. The Company is currently evaluating the impact of adopting this statement.

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Note 3. - Property and Equipment

Equipment consisted of the following:

	December 31, 2008
Computer equipment	$ 3,209,653
Computer software	206,843
Furniture and fixtures	98,453
Leasehold improvements	567,581
Office Equipment	73,091
Machinery	103,985
Automotive	5,909
	4,265,514
Less: Accumulated depreciation	(2,838,809)
	$ 1,426,705

Note 4. Basic & Diluted Income/(Loss)

Basic gain (loss) per common share has been calculated based on the weighted average number of shares of common stock outstanding during the period. Diluted gain (loss) per common share has been calculated based on the weighted average number of shares of common and preferred stock outstanding during the period.

	12 Months ended December 31, 2008
Net income (loss) from operations	$ (744,853)
Basic income / (loss) per share	$ (0.0120)
Weighted average number of shares outstanding	61,985,934

Note 5. Lease payable

	December 31 2008
Dell Financial Corporation capital lease obligations, With monthly lease payments of $8,698 including Interest from 11.4% to 11.8%, secured by specific Computer equipment with a carrying value of $156,731, due November 2008 to May 2010	$ 130,958

Note 6. – Commitments

The Company has an operating lease for its premises and parking at $ 7,530 per month, under a lease expiring in March 2012. The Company is also responsible for its pro rata share of the operating costs. The Company has also entered into operating leases for its data lines. The data lines are lased at $21,768 per month, under leases expiring in 2008 to 2012.

The minimum annual lease payments until maturity are as follows:

Year Ended December 31, 2008	
2008	$ 332,724
2009	143,926
2010	90,360
2011	90,360
2012	45,180
	$ 702,550

Note 7. - Notes Payable

		December 31, 2008
1	Notes payable, interest payable monthly at 20 % per annum (secured by all assets of the Company)	$ 3,350,000
2	Notes payable, interest payable monthly at 6% per annum	250,000
3	Note payable for purchase of equipment	252,000
4	Note payable (contains provision for further reduction of amount due pursuant to creditor's representations and warranties) , due on November 13, 2008, interest 10 % per annum	497,674
5.	Notes payable, interest payable monthly at 20 % per annum	250,000
6.	Note payable, short term interest free note	491,095
7.	Note payable, one year note with interest payable at 8%	350,000
8.	Note payable,	499,166
		$ 5,939,935

The debt consists of the following:

(1) Effective November 1, 2007, the Company has a term note with unrelated party. Terms of the note are: the note is a 23-month note and bears an interest rate at 20%. .

(2) Effective November 1, 2007, the Company has a term note with unrelated party. Terms of the note are: the note is a 6-month note and bears an interest rate at 6%.

(3) Effective March 07, 2008, the Company entered into a purchase agreement to buy equipment from an unrelated party.

(4) This is a note from the seller in the form of a subordinated promissory note subject to write down via the reps and warranties as stated in the purchase agreement.

(5) The Company has a term note with unrelated party. Terms of the note are: the note is a 12-month note and bears an interest rate at 20%.

(6) The Company has a note with unrelated party. Interest may include stock.

(7) Seller subordinated note subject to reps and warranties as stated in purchase agreement

(8) The Company has a note with unrelated party. This note may be converted into stock.

Note 8. - Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company operating loss for the period was $ 744,853 and working capital deficit of $ 7,357,521. The Company will actively purse its business activities, offer noncash consideration, secure additional or refinance the debt and/or raise equity as a means of financing its operations and meet the credit obligations. If the Company is unable to return to its profitability or obtain necessary financing, it may substantially curtail or terminate its operations or seek other business opportunities through strategic alliances, acquisitions or other arrangements that may dilute the interests of existing stockholders.