

XR Energy, Inc. and Subsidiary
Consolidated Balance Sheet
As of December 31, 2018 and 2017

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
<u>Assets</u>		
Current Assets		
Cash	\$ 124	\$ 738
Accounts Receivable	1,401	11,731
Prepaid Interest	-	-
	<hr/>	<hr/>
Total Current Assets	1,525	12,469
Property and Equipment, Net of Accumulated Depreciation, Depletion and Amortization	<hr/> 128,596	<hr/> 139,736
	<hr/>	<hr/>
Total Assets	<u><u>\$ 130,121</u></u>	<u><u>\$ 152,205</u></u>
<u>Liabilities and Stockholders' Equity (Deficit)</u>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 111,030	\$ 110,087
Note Payable to Investor Entity	44,000	46,000
Notes Payable	566,676	452,232
	<hr/>	<hr/>
Total Current Liabilities	721,706	608,319
Asset Retirement Obligations	<hr/> 89,043	<hr/> 82,867
	<hr/>	<hr/>
Total Liabilities	<u>810,749</u>	<u>691,186</u>
Stockholders' Equity (Deficit)		
Series A Convertible Preferred Stock, par value \$.0001, 50,000,000 shares authorized, 10,000,000 shares issued and outstanding	1,000	1,000
Common Stock, \$.0001 par value, 500,000,000 shares authorized, 126,659,542 and 106,107,077 shares issued and outstanding, respectively	12,666	10,611
Additional Paid-In Capital	21,597,663	21,581,974
Accumulated Deficit	<u>(22,291,957)</u>	<u>(22,132,566)</u>
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Total Stockholders' Equity (Deficit)	<u>(680,628)</u>	<u>(538,981)</u>
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Total Liabilities and Stockholders' Equity (Deficit)	<u><u>\$ 130,121</u></u>	<u><u>\$ 152,205</u></u>

See accompanying notes to consolidated financial statements

XR Energy, Inc. and Subsidiary
Consolidated Statements of Operations
For The Years Ended December 31, 2018 and 2017
(Unaudited)

	For The Year Ended December 31, 2018	For The Year Ended December 31, 2017
Sales of Oil	\$ 121,578	\$ 131,380
Commission Income	<u>0</u>	<u>0</u>
Total Revenues	<u>121,578</u>	<u>131,380</u>
Oil Lease Operating Costs	120,867	94,350
Depreciation and Depletion	11,140	11,140
Accretion of Asset Retirement Obligations	6,176	6,176
General and Administrative Expenses	<u>91,752</u>	<u>19,960</u>
Total Costs and Expenses	<u>229,935</u>	<u>131,626</u>
(Loss) From Operations	(108,357)	(246)
Other Income (Expenses);		
Interest Expense	<u>(51,034)</u>	<u>(47,880)</u>
(Loss) Before Income Taxes	(159,391)	(48,126)
Provision (Credit) For Income Taxes	<u>-</u>	<u>-</u>
Net (Loss)	<u><u>\$ (159,391)</u></u>	<u><u>\$ (48,126)</u></u>
Net (Loss) Per Common Share;		
Basic and Diluted	<u><u>\$ (0.001457)</u></u>	<u><u>\$ (0.000465)</u></u>
Weighted Average Common Shares Outstanding;		
Basic and Diluted	<u><u>109,432,374</u></u>	<u><u>103,594,720</u></u>

See accompanying notes to the consolidated financial statements

XR Energy, Inc. and Subsidiary
Consolidated Statement of Stockholders' Equity
For The Years Ended December 31, 2018 and 2017
(Unaudited)

	<u>Common Stock</u>		<u>Series A Convertible Preferred</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Number of</u>	<u>Par</u>	<u>Number of</u>	<u>Par</u>	<u>Paid-In</u>	<u>Deficit</u>	<u>Stockholders'</u>
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>	<u>Capital</u>		<u>Equity</u>
Balance, December 31, 2017	106,107,877	\$ 10,611	\$ 10,000,000	\$ 1,000	\$ 21,581,974	\$ (22,132,566)	\$ (538,981)
Conversion of convertible promissory note and	20,551,665	2,055			15,689		17,744
Net (loss) for the year ended December 31, 2018						(159,391)	(159,391)
Balance, December 31, 2018	<u>126,659,542</u>	<u>\$ 12,666</u>	<u>10,000,000</u>	<u>\$ 1,000</u>	<u>\$ 21,597,663</u>	<u>\$ (22,291,957)</u>	<u>\$ (680,628)</u>

	<u>Common Stock</u>		<u>Series A Convertible Preferred</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Number of</u>	<u>Par</u>	<u>Number of</u>	<u>Par</u>	<u>Paid-In</u>	<u>Deficit</u>	<u>Stockholders'</u>
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>	<u>Capital</u>		<u>Equity</u>
Balance, December 31, 2016	98,053,270	\$ 9,805	\$ 10,000,000	\$ 1,000	\$ 21,570,779	\$ (22,084,440)	\$ (502,856)
Conversion of convertible promissory note and	8,054,607	805			11,195		12,000
Net (loss) for the year ended December 31, 2017						(48,126)	(48,126)
Balance, December 31, 2017	<u>106,107,877</u>	<u>\$ 10,611</u>	<u>10,000,000</u>	<u>\$ 1,000</u>	<u>\$ 21,581,974</u>	<u>\$ (22,132,566)</u>	<u>\$ (538,981)</u>

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XR Energy, Inc. and Subsidiary
Consolidated Statement of Cash Flows
For The Years Ended December 31, 2018 and 2017
(Unaudited)

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Net (Loss)	\$ (159,391)	\$ (48,126)
Adjustments to reconcile net (loss) to net cash provided (used) by operating activities:		
Depletion	11,140	11,140
Accretion of Asset Retirement Obligations	6,176	6,176
Gain on sale of lease		0
Stock Issued in exchange of services	0	
Changes in Operating Assets and Liabilities:		
Accounts Receivable	10,330	11,994
Prepaid Interest	0	5,625
Accounts Payable and Accrued Expenses	943	9,983
Total Adjustments	<u>28,589</u>	<u>44,918</u>
Net cash provided by operating activities	<u>(130,802)</u>	<u>(3,208)</u>
Cash Flows from Investing Activities:		
	<u>-</u>	<u>-</u>
Net cash (used in) investing activities	<u>0</u>	<u>0</u>
Cash Flows from Financing Activities:		
Proceeds from Notes Payable	<u>130,188</u>	<u>3,000</u>
Net cash provided by financing activities	<u>130,188</u>	<u>3,000</u>
Net increase (decrease) in cash	(614)	(208)
Cash, Beginning of Period	<u>738</u>	<u>946</u>
Cash, End of Period	<u><u>\$ 124</u></u>	<u><u>\$ 738</u></u>
Supplemental disclosures:		
Interest and Taxes paid:		
Interest Expense	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income Taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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